

GRAND JUNCTION REGIONAL AIRPORT



C O L O R A D O
AIRPORT of the YEAR

BOARD PACKET

July 19, 2022

Grand Junction Regional Airport Authority



Date: July 19, 2022

Location:

GRAND JUNCTION REGIONAL AIRPORT
2828 WALKER FIELD DRIVE
GRAND JUNCTION, CO 81506
AIRPORT TERMINAL - 3rd FLOOR CONFERENCE ROOM

or

Electronic Meeting

Link: <https://us02web.zoom.us/j/86931561332?pwd=SzRmV1BETmhMVG1wYzVhZlZPU2p6dz09>

Time: 5:15 PM

REGULAR MEETING AGENDA

- I. Call to Order**
- II. Pledge of Allegiance**
- III. Approval of Agenda**
- IV. Commissioner Comments**
- V. Citizens Comments**

The Grand Junction Regional Airport Authority welcomes respectful public comments at its meetings. The Citizens Comment section is open to all individuals that would like to comment. If you wish to speak under the Citizens Comment portion of the agenda, please e-mail your comment to the Board Clerk (boardclerk@gjairport.com) 15 minutes prior to the meeting. Comments not related to specific agenda items will be addressed during the citizen comment section of the agenda. Citizen comments related to a specific action item will be addressed during the discussion of that action item. The Board Chair will indicate when you may come forward and comment. Please state your name for the record. Presentations are limited to **three minutes** and yielding time to others is not permitted. Speakers are to address the Chair, not each other or the audience, and are expected to conduct themselves in an appropriate manner. The use of abusive or profane language shall not be allowed. No debate or argument between speakers and/or members of the audience shall be permitted.

VI. Consent Agenda

- A. June 21, 2022 Meeting Minutes _____ 1
 - Approve the June 21, 2022 Board Meeting Minutes.
- B. 2021 Audit Acceptance _____ 2
 - Accept the 2021 audited financial statements and supplemental schedules of the Grand Junction Regional Airport Authority.

July 19, 2022

- C. GJRAA Employee Health Insurance _____ 3
- Approve the proposed health insurance plan and cost sharing as outlined in the Agenda Item Summary for the plan year of September 1, 2022 through August 31, 2023 and authorize the Executive Director to sign all plan documents and approve invoices.

VII. Action

- A. Garver Work Order C1A and General Aviation Rehabilitation Design _____ 4
- Approve Garver Work Order No. 19 in the amount of \$98,600 to fund the design of Taxilane C1A and General Aviation repairs and rehabilitation.

VIII. Discussion

- A. Grand Junction Chamber of Commerce Update – Diane Schwenke
- B. CO Family Medical Leave Insurance (FAMLI) Options – Michael Santo, Bechtel & Santo
- C. Airport Development Plan Update - InterVISTAS

IX. Staff Reports

- A. Executive Director Report (Angela Padalecki)
- B. Finance and Activity Report (Sarah Menge) _____ 5
- C. Operations Report (Dylan Heberlein)
- D. Facilities Report (Ben Peck)
- E. Capital Improvement Plan Update (Colin Bible)

X. Any other business which may come before the Board

XI. Adjournment



Grand Junction Regional Airport Authority Board
Regular Board Meeting
Meeting Minutes
June 21, 2022

REGULAR BOARD MEETING

I. Call to Order

Mr. Tom Benton, Board Chairman, called the Meeting of the Grand Junction Regional Airport Authority Board to order at 5:15 PM on June 21, 2022 in Grand Junction, Colorado and in the County of Mesa. The meeting was hosted in the 3rd floor conference room as well as electronically.

<p><u>Commissioners Present:</u></p> <p>Tom Benton (Chairman) Clay Tufly (Vice Chairman) Erling Brabaek Thaddeus Shrader Linde Marshall Rick Taggart Ron Velarde</p> <p><u>Airport Staff:</u></p> <p>Angela Padalecki (Executive Director) Dan Reimer (Counsel) Sarah Menge Dylan Heberlein Ben Peck Cameron Reece (Clerk) Shelagh Flesch</p>	<p><u>Guests:</u></p> <p>Jeremy Lee, Mead and Hunt Brad Rolf, Mead and Hunt Brian Mohr, InterVISTAS Lisa Meacham, Plante Moran Jennifer LaPorte, Plante Moran Jon Labrum, Crestone Aviation Kyle Williams, AECOM Drew Armstrong, Audit Committee Jim McConnell, Aero GJT Larry Kempton III, Kempton Air</p>
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II. Pledge of Allegiance

III. Approval of Agenda

Commissioner Tufly made a motion to approve the June 21, 2022 Board Agenda. Commissioner Shrader seconded the motion. Voice Vote: All Ayes; motion carries.

IV. Commissioner Comments

Commissioner Benton commented on staff for outstanding job at the Colorado Airport Operators Association (CAOA) Spring Conference and hosting the events with such a great agenda and events. Commissioner Benton thanked West Star Aviation for hosting the dinner event that was held at their hangar as well as Il Bistro for catering great food for the event.

Commissioner Velarde also commented and thanked staff for job well done on CAO A Conference with the hospitality and jet fly over was spectacular.

Commissioner Tufly commented and thanked West Star Aviation and the team for the use of their paint hangar during the CAO A dinner event.

V. Citizen Comments

Mr. Erling Brabaek with GMF Investments commented on the General Aviation area Foreign Object Debris (FOD) problem. Mr. Brabaek believes the FOD problem is from the leaseholders that aren't appropriately maintaining their leaseholds. Mr. Brabaek showed commissioners evidence from sweeping the apron in front of the hangar he operates out of with 40 ounces of debris in plastic bottles. Mr. Brabaek asks the airport to hold other leaseholders accountable.

Mr. Jon Labrum with Crestone Aviation said he believes we have a problem with adequate space for airplanes. Mr. Labrum said he receives calls from people looking for hangar space and he has to tell them no.

Mr. Labrum said current staff, Angela and Dylan have been great to work with and we have a good start but we need to have a fresh look at development. Mr. Labrum said we need solve the problem now, and he knows we are working on it through planning, but we need a short-term fix. Mr. Labrum has other items he listed to Commissioners but wanted to bring awareness and he looks forward to discussing those items at a later time.

VI. Consent Agenda

A. May 17, 2022 Meeting Minutes

Approval of May 17, 2022 Board Meeting Minutes

B. Revised 2022 AIP Grant Applications

Approve the modified grant applications that correspond to the grant applications originally approved on December 7, 2022, at the request of the FAA, based on anticipated grant funding availability.

Commissioner Brabaek made a motion to approve the Consent Agenda. Commissioner Velarde seconded the motion. Voice Vote: All Ayes; motion carries.

VII. Action

A. Grant Agreement AIP 75 – Runway 12/30 Grading and Drainage Package Schedules 4-7 and Utility Infrastructure Design

Accept FAA AIP Grant No. 3-08-0027-075-2022 in the amount of \$1,433,000 for Runway 12/30 Grading and Drainage Package Schedules 4-7 and Utility Infrastructure Design and authorize the Executive Director to sign the Co-Sponsorship Agreements with the City of Grand Junction and Mesa County.

Commissioner Marshall made a motion to Accept FAA AIP Grant No. 3-08-0027-075-2022 in the amount of \$1,433,000 for Runway 12/30 Grading and Drainage Package Schedules 4-7 and Utility Infrastructure Design and authorize the Executive Director to sign the Co-Sponsorship Agreements with the City of Grand Junction and Mesa County. Commissioner Brabaek seconded the motion. Voice Vote: All Ayes; motion carries.

VIII. Discussion

A. 2021 Draft Audit Presentation by Plante Moran

- Presentation by Lisa Meacham, Engagement Partner and Jennifer LaPorte, Senior Auditor, on the 2021 financial statement audit.

B. Airport Development Plan Update - InterVISTAS

IX. Staff Reports

- A. Executive Director Report (Angela Padalecki)
- B. Finance and Activity Report (Sarah Menge)
- C. Capital Improvement Plan Update (Colin Bible)

X. Any other business which may come before the Board

XI. Executive Session

Commissioner Brabaek made a motion to move into Executive session pursuant to CRS Sections 24-6-402(4)(a) and 24-6-402(4)(b) for the purpose of receiving advice from legal counsel on specific legal questions related to the Sky Adventures Lease and for the purpose of receiving advice from legal counsel on specific legal questions related to the West Star Lease. Commissioner Shrader seconded the motion. Voice Vote: All Ayes; motion carries.

Commissioner Shrader made a motion to move from Executive Session back into a public meeting. Commissioner Brabaek seconded the motion. Voice Vote: All Ayes; motion carries.

XII. Adjournment

The meeting adjourned at approximately 9:12pm

Audio recording of the complete meeting can be found at [https://gjairport.com/Board Meetings](https://gjairport.com/Board_Meetings)

Tom Benton, Board Chairman

ATTEST:

Cameron Reece, Clerk to the Board

Grand Junction Regional Airport Authority

Agenda Item Summary

TOPIC:	2021 Audit Acceptance		
PURPOSE:	Information <input type="checkbox"/>	Guidance <input type="checkbox"/>	Decision <input checked="" type="checkbox"/>
RECOMMENDATION:	Accept the 2021 audited financial statements and supplemental schedules of the Grand Junction Regional Airport Authority.		
SUMMARY:	<p>The Airport staff and the Finance and Audit Committee have reviewed the draft and all recommended changes from staff and Board member review have been incorporated. Following the draft presentation to the Board in June, only minor modifications in formatting have been made.</p> <p>The following is a summary of significant audit findings and opinions issued with the 2021 financial statement audit:</p> <ul style="list-style-type: none">- Plante Moran is issuing an unmodified opinion.- There were no material weaknesses identified- There were no findings reported under Uniform Grant Guidance (Airport Improvement Program)- There were no findings reported over the Passenger Facility Charge but change in accounting principle from accrual to cash basis.- No financial statement adjustments were identified during the audit that required posting to the financial statements.- The auditors have recommended ongoing review, oversight, and monitoring by the Finance and Audit Committee for tasks completed by the Director of Finance due to the small size of our finance and accounting staff at the Airport Authority. <p>Following acceptance by the Board, the Audited financial statements will be provided to the Office of the State Auditor, the Federal Audit Clearing House, the Federal Aviation Administration, and the Electronic Municipal Market Access system to satisfy all regulatory requirements.</p>		
REVIEWED BY:	Executive Director and Finance and Audit Committee		
FISCAL IMPACT:	N/A		
ATTACHMENTS:	Final Draft of the Audited Financial Statements		
STAFF CONTACT:	Sarah Menge 970-248-8581 smenge@gjairport.com		

Grand Junction Regional Airport Authority

**Financial Report
with Supplemental Information
December 31, 2021**

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INTRODUCTION

Grand Junction Regional Airport, Colorado, Public Airport Authority was created in 1971 under the Public Airport Authority Act of 1965. The Grand Junction Regional Airport Authority (the "Authority" or "GJT") is composed of seven appointed members: three from Mesa County, three from the City of Grand Junction and one at-large selection. The term of each Commissioner of the Authority Board is four years; no member may serve more than two consecutive four-year terms. The Board of Commissioners selects and appoints an Executive Director who implements the policies established by the Board, manages the airport, and serves at the pleasure of the Board.

The Authority engages in business-type activities. These are activities that are intended to recover all or a significant portion of their costs through user fee charges to external parties for goods or services. The Authority reports its business-type activities in a single enterprise fund, meaning that its activities are operated and reported like a private-sector business. An enterprise fund uses the accrual basis of accounting, and accordingly, revenues are recognized when earned and expenses are recognized as incurred.

GJT Description

The Grand Junction metropolitan area is classified as a non-hub commercial service market, as the Airport enplanes less than 0.05% of all commercial airline enplanements in the United States.

The Airport is located on approximately 2,800 acres of land and has two active runways and an air traffic control tower. The primary runway is Runway 11/29, which measures 10,501 feet long and 150 feet wide with a northwest-southeast orientation. Crosswind Runway 4/22 measures 5,501 feet long and 75 feet wide in a southwest/northeast orientation. The secondary runway is designed to facilitate the operations of smaller aircraft during crosswind conditions on Runway 11/29.

The passenger terminal building opened in 1982 and contains approximately 76,000 square feet of space and offers one airside concourse with three passenger boarding bridges. The terminal building accommodates passenger ticketing, baggage claim, passenger screening, concessions, and rental car facilities and public parking is available on site. In addition to the passenger terminal building, the Authority also provides cargo and general aviation facilities and has an aircraft rescue firefighting building.

Location

Grand Junction is situated on the western slope of the Rocky Mountains in Mesa County, Colorado. The Airport and the City of Grand Junction are located between Denver and Salt Lake City, approximately 260 miles from each. The closest airports, which provide regularly scheduled commercial or regional jet service, are Aspen-Pitkin County Airport, Eagle County Airport, and the Montrose County Regional Airport.

Air Traffic

As of December 31, 2021, GJT offered direct, year-round service to Dallas/Fort Worth, Denver, Las Vegas, Phoenix, and Salt Lake City, and seasonal direct service to Los Angeles, Mesa, AZ, Burbank, and Santa Ana. Air service was provided throughout the year by six different carriers, including: Allegiant, American Airlines, Avelo, Delta, Frontier, and United. As of December 31, 2020, GJT offered direct service to Dallas/Fort Worth, Denver, Las Vegas, Mesa, AZ, Phoenix, and Salt Lake City, and seasonal direct service to Los Angeles. Air service was provided in GJT by Allegiant, American Airlines, Delta, Denver Air Connection, and United.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following discussion and analysis of the financial position and activity of the Authority provides an introduction and overview of the basic financial statements of the Authority as of and for the years ended December 31, 2021 and 2020. This discussion has been prepared by management and should be read in conjunction with the financial statements and the notes thereto, which follow this section.

Financial Highlights

On March 10, 2020, Colorado Governor Jared Polis declared a State of Emergency related to the presence of the Novel Coronavirus 2019 (COVID-19) in the State of Colorado. On March 11, 2020, the World Health Organization (WHO) declared the outbreak a global pandemic and on March 13, 2020, President Donald J. Trump issued a proclamation declaring the COVID-19 outbreak in the United States a national emergency. Nationally and at the state level, business activities and public gatherings were limited throughout 2020 and air traffic declined sharply following the declarations from the President and the WHO. GJT had a 36% decline in commercial airline landings and a 47% decline in total passengers because of the pandemic in 2020.

Commercial airline activity and passenger numbers recovered more quickly at GJT than the national average. In 2021, total enplaned passengers were within 97% of 2019 numbers compared to the national average of 69%. Two new airlines launched service at GJT in 2021. Frontier added a twice-weekly route to Denver and Avelo provided service three-times-weekly service to Burbank from May to August 2021. The Burbank service was discontinued and will not return in 2022, however, Frontier plans to run seasonal service from April to December annually. With the higher-than-expected passenger numbers, operating revenues exceeded budgeted expectations by approximately 40% (\$1,971,000) in 2021.

The pandemic had multiple impacts on the Authority's Statement of Revenue, Expenses, and Changes in Net Position, including the following:

- Due to the severe impact of the pandemic nationwide, the President signed the Coronavirus Aid, Relief, and Economic Security (CARES) Act into law on March 27, 2020, The Coronavirus Response and Relief Supplemental Appropriation Act (CRRSA) on December 27, 2020, and the American Rescue Plan Act (ARPA) of 2021 on March 11, 2021. Each of these relief bills included funding specifically allocated for U.S. airports. The Authority received the following grants from these acts in 2020 and 2021:
 - The Authority received \$5,679,740 from the CARES Act to help supplement lost revenues from the pandemic. During 2020, the Authority utilized \$4,094,829 of CARES Act revenues, \$890,579 for debt service, and \$3,204,251 to cover operating expenses. During 2021, the Authority utilized \$454,202 for debt service, and the remaining amount of \$1,130,709 for operating expenses, primarily payroll.
 - The Airport Coronavirus Response Grant Program (ACRGP) authorized under CRRSA resulted in a grant of \$2,165,378. This amount was fully utilized in 2021 for operating expenses and debt service.
 - The Authority was awarded \$3,312,328 from ARPA and utilized \$211,722 for operating expenses in 2021.
 - In addition to the relief grants available to the Authority for operating expenses and debt service, the CRRSA and ARPA programs also included grants awarded to airports for concession rent relief. The Authority was awarded concession relief under the ACRGP of \$53,547 and \$214,188 from ARPA in 2021. These amounts have not yet been distributed to concessionaries.
- Excluding grant revenues, total 2020 operating revenues declined 24% from 2019. The most significant decrease was in non-aeronautical revenue from rental cars, parking, and ground transportation which are highly dependent on passengers. With the faster-than-expected recovery in 2021, operating revenues were 31% higher in 2021 than 2020, and within 1% of 2019 operating revenue.
- Non-operating revenue from passenger facility charges and customer facility charges were also down 41% and 62%, respectively, in 2020 compared to 2019 due to the decrease in passengers. However, in 2021, these revenues rebounded with the return of commercial passenger traffic. PFC revenues were up 71% and CFC revenues were up 148% in 2021 compared to 2020.

- The Authority made multiple efforts to control operating costs during 2020 including not filling vacant positions, delaying maintenance projects, and cancelling all non-essential travel and training. Excluding depreciation expense, total operating expenses declined approximately \$140,000 from 2019 and was \$1,150,000 below budget, a decrease of 21%. Operating expenses in 2021 were up 10% from 2020. The majority of the increase was related to repair and maintenance projects in the terminal to improve the rental car counters and improve the layout of the Transportation Security Administration (TSA) checkpoint to improve passenger screening efficiency.

The Authority has an extensive Construction Improvement Program that includes a runway replacement and ongoing airfield maintenance on existing pavements. The majority of the funding for these projects comes from the Federal Aviation Administration (FAA) as part of the Airport Improvement Program (AIP). Although the pandemic impacted operating revenues and expenses, the Authority decided to move forward with all planned AIP projects. The CARES Act and ARPA also included supplemental AIP allocations that covered the required match for airports on AIP grants awarded in 2020 and 2021. As a result of these programs, the Authority will save approximately \$3,700,000 of matching funds related to AIP projects awarded during this time. The Airport spent over \$19,200,000 on AIP projects in 2021 and \$5,900,000 in 2020.

In addition to the airfield Construction Improvement Program, the Authority has made significant investments in the passenger terminal building, air traffic control tower, and other landside infrastructure over the past three years. In 2020, the Authority invested \$887,000 to replace flooring in the public area of the first and second floor. In 2021, the authority invested approximately \$550,000 in repairs and improvements to rental car facilities including a new fuel canopy, new customer counters, and repairs and improvements to office space. Additionally, the Authority spent approximately \$245,000 in improvements to the HVAC and fire alarm system in the air traffic control tower and \$555,000 in repairs and improvements to the terminal building to re-design the layout of the TSA checkpoint screening area, replace an HVAC unit and make other needed repairs.

The Authority began construction on an administration building in 2013 to house the Authority staff offices, however, construction was stopped in 2014. During 2019, after exhaustive efforts by the board to procure a public-private partnership to complete the build-out, or identify airport funds to complete construction, it was determined that the partially completed building would be demolished. Accumulated construction costs totaling \$4,092,316 were considered impaired and a loss was recognized in the year ended December 31, 2019. An additional \$563,161 of construction costs were incurred in 2020 to complete the demolition.

Capital assets increased over \$15,300,000 from 2020 to 2021 and over \$2,062,000 from 2019 to 2020 as a result of these projects.

Overview of the Financial Statements

The Authority's financial statements consist of its statement of net position; statement of revenues, expenses, and changes in net position; statement of cash flows and notes to the financial statements. The statement of net position presents information on the Authority's assets, deferred outflows, liabilities, deferred inflows, and net position. Over time, increases or decreases in net position serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating. The statement of revenues, expenses, and changes in net position present information showing how the Authority's net position changed during the year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the cash flows. Revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements. This report also includes required supplementary information for the Authority's pension and other postemployment benefit plan for the purpose of additional analysis.

These financial statements are prepared in accordance with accounting principles generally accepted in the United States of America as promulgated by the GASB.

Grand Junction Regional Airport Authority

Management's Discussion and Analysis

Year Ended December 31, 2021

Summary of Revenues, Expenses, and Changes in Net Position

The following is a summary of the revenues, expenses, and changes in net position for the years ended December 31, 2021, 2020, and 2019.

	2021	2020	2019
Total operating revenues	\$6,848,187	\$5,223,644	\$6,863,913
Total non-operating revenues	5,966,226	5,107,958	2,032,273
Total revenues	12,814,413	10,331,602	8,896,186
Total operating expenses	10,191,366	9,257,588	8,815,254
Net non-operating expenses	576,578	597,230	619,600
Total expenses	10,767,944	9,854,818	9,434,854
Income (Loss) before capital contributions	2,046,469	476,784	(538,668)
Capital contributions	19,299,321	5,573,707	6,004,320
Special item – Asset impairment	-	(563,161)	(4,092,316)
Increase in net position	\$21,345,790	\$5,487,330	\$1,373,336

The following is a summary of operating revenues for the years ended December 31, 2021, 2020, and 2019.

	2021	2020	2019
Aeronautical revenue			
Passenger airline revenue			
Passenger airline landing fees	\$636,617	\$466,624	\$632,143
Terminal rent	1,177,020	1,240,942	1,183,776
Other	24,699	23,035	128,216
Total passenger airline revenue	1,838,336	1,730,601	1,944,135
Non-passenger airline revenue			
Non-passenger landing fees	157,842	224,966	102,453
Cargo and hangar rentals	55,228	54,504	53,466
Fuel flowage fees and aviation fuel tax	713,814	586,236	752,110
Other	10,740	6,270	9,780
Total non-passenger airline revenue	937,624	871,975	917,809
<i>Total aeronautical revenue</i>	<i>2,775,960</i>	<i>2,602,576</i>	<i>2,861,944</i>
Non-aeronautical revenue			
Land and building leases	604,274	607,304	601,551
Terminal – restaurant and retail	173,030	91,907	170,591
Terminal - rent	183,795	182,884	180,686
Rental cars	1,528,349	898,476	1,306,055
Parking and ground transportation	1,502,102	790,594	1,663,556
Other	80,677	49,904	79,530
<i>Total non-aeronautical revenue</i>	<i>4,072,227</i>	<i>2,621,068</i>	<i>4,001,969</i>
<i>Total operating revenue</i>	<i>\$6,848,187</i>	<i>\$5,223,644</i>	<i>\$6,863,913</i>

Passenger airline revenue is primarily from terminal rent which is currently based on a fixed rates and charges model. Rates and charges remained unchanged in 2021 and 2020. The last change to the terminal rent rate and the airline landing fee was implemented January 1, 2020. The decrease passenger airline terminal rent from 2020 to 2021 was due to the establishment of an Airline Incentive Program. This program offers discounted rents and landing fees to airlines for adding additional routes. Even with the increase in the landing fee rate in 2020, the decrease in overall activity resulted in a decrease in landing fee revenue in 2020.

Non-passenger airline revenue consists primarily of landing fees from non-passenger airline activity like cargo, and fuel flowage fees and taxes. Fuel taxes are collected on all fuel sold at all airports throughout the state and then remitted by the State of Colorado back to the airports proportionately based on sales. The variance in fuel tax revenues from 2019 to 2021 was directly related to the pandemic and the significant decline in commercial activity in 2020. Flowage fees are only collected on general aviation activity and because that activity was less impacted by the pandemic, there is less variance from 2019 to 2021. The variance in non-passenger landing fees was related to fire-fighting activities based out of GJT in 2020 to battle record setting fires in the state.

Non-aeronautical revenue consists of some fixed rent charges and other variable revenues that are directly correlated to passenger traffic. The decrease in passenger traffic in 2020 resulting from the pandemic caused a decrease in non-aeronautical revenues of \$1,381,000, with 93% of the decline coming from rental car and parking revenue. With commercial airline activity nearly recovering to the pre-pandemic 2019 level, 2021 non-aeronautical revenue exceeded 2019 by approximately \$72,000.

The following is a summary of operating expenses for the years ended December 31, 2021, 2020, and 2019.

	2021	2020	2019
Personnel compensation and benefits	\$2,267,004	\$2,277,753	\$1,894,114
Communications and utilities	347,665	308,589	308,906
Supplies and materials	481,107	426,303	574,646
Contract services	662,618	580,374	601,889
Repairs & maintenance	905,426	326,306	584,486
Insurance	133,707	122,503	108,989
Depreciation	5,120,943	5,040,910	4,459,034
Other	272,896	174,850	283,190
Total operating expenses	\$10,191,366	\$9,257,588	\$8,815,254

The majority of the Airport's operating expenses are fixed in nature, and do not fluctuate with increases and decreases in passenger traffic. Total operating expenses increased 10% from 2020 to 2021, driven by the \$579,000 increase in repairs and maintenance expenses in 2021 associated with the maintenance and improvement projects to the terminal building, air traffic control tower, and rental car facilities noted above. In 2020, following the declaration of emergency from the pandemic, the Authority limited spending on all non-grant funded projects, but non-essential, airport improvement projects, repairs and maintenance resumed in 2021 and created the larger-than-usual increase. Besides increases in repairs and maintenance, the Authority spent approximately \$85,000 more on marketing expenses in 2021 (within other expense on summary of operating expenses) to promote the new air service from Frontier and Avelo, had an \$80,000 increase in depreciation expense related to capital projects, and an \$82,000 increase in contract services due to the replacement of a staff member with a professional services contract.

As noted above, the Authority implemented cost management measures in 2020 to minimize operating expenses incurred during the COVID-19 pandemic as much as possible. While total operating expenses increased 5% from 2019 to 2020, the increase was driven to a large degree by an increase in depreciation expense (\$581,876) associated with a number of capital projects. Excluding depreciation, operating expenses decreased 3% from 2019 to 2020. Personnel costs increased \$383,639 from 2019 to 2020, however, the increase in costs was due to the change in the net pension and other post-employment benefit adjustment from 2019 to 2020 which increased by \$434,688 and was not from an increase in personnel or wages. The pension and other post-employment benefit

Management's Discussion and Analysis

Year Ended December 31, 2021

expenses and adjustments are described further in Notes 9 and 10.

Non-Operating Revenues and Expenses, Capital Grants and Capital Contributions

The following is a summary of non-operating revenues and expenses for the years ended December 31, 2021, 2020, and 2019.

	2021	2020	2019
Passenger facility charges	\$1,048,646	\$614,796	\$1,050,179
Interest income	33,132	67,958	225,138
Interest expense	(576,578)	(597,230)	(619,600)
Customer facility charges	689,784	278,624	741,144
Grant revenue	4,193,938	4,132,565	-
Capital contributions	19,299,321	5,573,707	6,004,320
Other	726	(563,161)	(4,076,504)
Total non-operating revenue (expense), net	\$24,688,969	\$9,521,274	\$3,324,677

As commercial passenger traffic almost fully recovered to pre-pandemic levels in 2021 so did non-operating revenues from passenger facility charges and customer facility charges. Passenger facility charges increased by \$434,000 from 2020 to 2021 and were within 1% of 2019 revenues. Customer facility charges increased by \$411,000 from 2020 to 2021, a 148% increase, but are still down about 7% from 2019. The other major variance in non-operating activity is the amount of capital contributions recognized by the Authority in 2021. The capital contributions represent grant revenue towards the Authority's CIP program. Capital contributions will fluctuate year to year depending on the projects awarded and the amount of construction completed. In 2021, the Authority invested more than \$19,200,000 in AIP projects, the majority of which was related to the replacement and rehabilitation of existing pavement. See Note 4 for a more comprehensive list of capital projects in process.

From 2019 to 2020, the most notable change in non-operating revenues is the \$4,132,565 in grant revenue received in 2020 from CARES Act. This grant revenue was available to pay debt service and reimbursement operating expenses incurred during the year. Passenger and customer facility charges decreased significantly due to the decline in passenger traffic from the pandemic. Interest income decreased as the restricted bond funds were released from restriction.

The other significant fluctuation from 2019 – 2020 is the impairment loss that was recognized related to the Authority's partially completed administration building. In 2019, costs incurred to date were recognized as an impairment loss and additional construction costs to complete the demolition of the building were incurred and recognized in 2020.

Summary of Net Position

The following is a summary of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position as of December 31, 2021, 2020, and 2019:

	2021	2020	2019
Current assets	\$24,425,153	\$16,573,668	\$10,642,105
Restricted assets	2,132,592	1,996,733	8,287,328
Capital assets, net	89,565,297	74,254,237	72,192,203
Total assets	116,123,042	92,824,639	91,121,636
Deferred outflows of resources	625,066	490,761	719,284
Total assets and deferred outflows of resources	\$116,748,108	\$93,315,400	\$91,840,920

Management's Discussion and Analysis**Year Ended December 31, 2021**

	2021	2020	2019
Current liabilities	\$4,745,186	\$1,748,424	\$4,478,598
Non-current liabilities	18,068,038	19,621,746	21,621,750
Total liabilities	22,813,224	21,370,169	26,100,348
Deferred inflows of resources	1,425,215	781,350	64,023
Net position			
Total net position	92,509,669	71,163,881	65,676,549
Total liabilities, deferred inflows of resources and net position	\$116,748,108	\$93,315,400	\$91,840,920

Current Assets

From 2020 to 2021, current assets increased by more than \$7,851,000, almost 50%. The majority of the increase was in grants receivable which increased \$5,137,000. The balance of grants receivable fluctuates based on the amount of work being completed and the timing of receiving reimbursements from the FAA. At the end of 2021, the Authority held retainage for two AIP projects that were almost complete at the end of the year. See Note 4 for additional details on the open AIP projects.

The increase in current assets of approximately \$5,932,000 from 2019 to 2020 was primarily due to the release of restricted cash from the revenue bond reserve fund and restricted Passenger Facility Charges (PFC) fund. The Authority pays for capital projects out of operating funds and then later transfers funds out of restricted accounts.

Capital Assets

In 2021, the Authority invested over \$19,200,000 in AIP grant funded projects which contributed to the \$16,027,000 increase in assets not subject to depreciation as those projects were not completed during the year. The largest projects under construction in 2021 were the replacement of the East commercial airline ramp, rehabilitation of Runway 11/29, and the construction of a temporary run-up pad for use during the runway replacement program construction. In addition to AIP funded projects, the Authority invested over \$1,000,000 for improvements to the terminal building, air traffic control tower, and rental car facilities.

Capital assets increased by \$2,062,000 from 2019 to 2020. The majority of the increase was related to construction in progress on FAA funded AIP projects. During 2020, the Authority invested \$4,855,000 on enabling projects for the runway replacement program including new perimeter roads, fencing, navigational aid relocation, and drainage; and spent another \$1,077,000 to engineer and plan 2021 construction projects to rehabilitate and replace existing pavement on the airfield. In the terminal, the Authority completed a flooring replacement project totaling approximately \$887,000. Depreciation expense in 2020 was higher than prior years due to the completion of the terminal remodel that was completed in 2019.

Current Liabilities

The fluctuations in current liabilities from 2019 to 2021 are almost entirely related to the change in accounts payable related to capital projects. At the end of 2019 and 2021, the Authority had major construction projects that were not completed and still had significant balances of retainage payable. In 2020, the FAA AIP grant awards came in late in the construction season and the Authority and the contractor agreed to wait to start work until Spring of 2021. Due to the timing of the grant awards, there was very little contractor activity completed at year end, resulting in a smaller outstanding payable balance.

Long-Term Debt

Capital acquisitions are funded using a variety of financing mechanisms, including federal and state grants, passenger facility charges, public debt issues, and airport operating revenues. During 2016 the Authority refunded the 2007 Revenue Bonds with the 2016 Revenue Bonds resulting in a \$9,000,000 project fund. As of December 31, the balance due on the 2016 Bonds was \$16,200,000 (2021) and \$16,935,000 (2020) and \$17,650,000 (2019).

Deferred Outflows and Deferred Inflows of Resources

Changes in deferred outflows and deferred inflows are related to the changes in the Authority's proportionate share of the pension and OPEB liability for the cost-sharing plan that the Authority participates in. See Note 9 and Note

10 for additional information on the calculation of these amounts.

Budgetary Highlights

The Authority establishes its annual operating budget using the modified cash basis, which is different than the basis of accounting used to present the Authority's financial statements. Cash outflows for debt principal payments and capital asset purchases that are recorded as changes in the statement of net position are included as non-operating expenses in the annual budget for the Authority, and no amount is budgeted for non-cash adjustments to the pension and OPEB liability that are recognized in personnel costs, or other non-cash expenses including depreciation, and amortization of the bond premium.

	2021 Actual	2021 Budget	Budget to Actual Variance
Operating Revenues			
Aeronautical revenue	\$2,775,960	\$2,403,700	\$372,260
Non-aeronautical revenue	4,072,227	2,473,500	1,598,727
Total Operating Revenue	6,848,187	4,877,200	1,970,987
Operating Expenses Excluding Depreciation	5,070,423	4,870,700	199,723
Net Operating Revenues Over (Under) Operating Expense	\$1,777,762	\$6,500	\$1,771,262

During the 2021 budgeting process, the Authority was planning for commercial airline activity to take three years to financially recover from the pandemic. The activity levels used to budget variable revenues from passengers and airline activity assumed that passenger numbers would still be down approximately 42% from 2019 and that commercial landed weight would be down about 35%. Actual activity levels far exceeded the budget assumptions with enplaned passengers coming in at approximately 97% of 2019 and commercial landed weight exceeding 2019 by approximately 12%. The higher-than-expected activity levels resulted in operating revenues that were 31% higher than budget.

Operating expenses exceeded the budget in 2021 due to the improvement and maintenance projects completed in the terminal, air traffic control tower, and rental car areas. For budget purposes, these amounts are included in the capital expenditures budget since they are non-recurring expenditures specific to a project. However, the majority of the projects do not qualify as capital expenditures and are expensed. The non-recurring repair and maintenance projects in 2021 totaled \$503,000 accounting for the amount over budget.

	2020 Actual	2020 Budget	Budget to Actual Variance
Operating Revenues			
Aeronautical revenue	\$2,602,576	\$2,880,000	\$(277,424)
Non-aeronautical revenue	2,621,068	4,053,000	(1,431,932)
Total Operating Revenue	5,223,644	6,933,000	(1,709,356)
Operating Expenses Excluding Depreciation	4,216,678	5,369,000	(1,152,322)
Net Operating Revenues Over (Under) Operating Expense	\$1,006,966	\$1,564,000	\$(557,034)

The 46% decline in total passengers resulted in a variance of approximately \$1,432,000 in budgeted non-aeronautical revenue, primarily from declines in food and beverage sales, rental car revenues, parking, and ground transportation.

Cost cutting efforts implemented by the Authority at the on-set of the pandemic also resulted in a favorable budget variance of \$1,152,000 in operating expenses. The Authority implemented multiple strategies to minimize operating costs, but the most significant savings was in personnel compensation and benefit costs which were approximately \$418,000 below budget.

	2019 Actual	2019 Budget	Budget to Actual Variance
Operating Revenues			
Aeronautical revenue	\$2,861,944	\$2,615,000	\$246,944
Non-aeronautical revenue	4,001,969	3,463,400	538,569
Total Operating Revenue	6,863,913	6,078,400	785,513
Operating Expenses Excluding Depreciation	4,356,220	4,725,850	(369,630)
Net Operating Revenues Over (Under) Operating Expense	\$2,507,693	\$1,352,550	\$1,155,143

As a result of the increase in passenger traffic in 2019, operating revenues exceeded budget by \$785,500 or 13%. Passenger airline revenue accounted for \$121,000 of the budget variance, non-passenger airline revenue was \$126,000 ahead of budget, and non-aeronautical revenue was \$538,500 above budgeted expectations led by parking revenue and rental car revenue.

Operating expenses were below budget in 2019, with the majority of the budget variance being related to personnel compensation and benefits.

Subsequent Events Impacting Current Operations

There were no material subsequent events up through and including July 19, 2022, which is the date the financial statements were available to be issued.

Request for Information

The Authority's financial statements are designed to present interested parties (customers, tenants, creditors, and the community) with a general overview of the Authority's finances and to demonstrate the accountability to all interested parties. If you have any questions concerning this report or need additional financial information, please contact the Grand Junction Regional Airport Authority, 2828 Walker Field Drive, Ste 301, Grand Junction, Colorado 81506 or at 970-244-9100.

Grand Junction Regional Airport Authority

Statement of Net Position

December 31, 2021 and 2020

	2021	2020
Assets		
Current assets:		
Cash and cash equivalents (Note 3)	\$ 12,875,765	\$ 10,041,100
Receivables:		
Accounts receivable - Net	703,173	824,505
Grants	10,770,864	5,633,949
Prepaid expenses and other assets	75,351	74,114
Total current assets	24,425,153	16,573,668
Noncurrent assets:		
Restricted assets - Cash and cash equivalents (Note 3)	2,132,592	1,996,733
Capital assets: (Note 4)		
Assets not subject to depreciation	31,780,572	15,753,237
Assets subject to depreciation - Net	57,784,725	58,501,000
Total noncurrent assets	91,697,889	76,250,970
Total assets	116,123,042	92,824,638
Deferred Outflows of Resources		
Deferred pension costs (Note 9)	591,950	452,508
Deferred OPEB costs (Note 10)	33,116	38,253
Total deferred outflows of resources	625,066	490,761
Liabilities		
Current liabilities:		
Accounts payable	218,765	176,825
Accounts payable - Capital assets	3,022,550	152,401
Accrued expenses (Note 5)	290,943	281,212
Lease deposits	154,140	158,288
Current portion of revenue received in advance	109,024	42,429
Current portion of revenue bonds payable (Note 6)	940,116	925,835
Current portion of capital leases (Note 6)	9,648	11,434
Total current liabilities	4,745,186	1,748,424
Noncurrent liabilities:		
Revenue received in advance - Net of current portion	369,733	394,800
Revenue bonds payable - Net of current portion (Note 6)	16,302,711	17,241,344
Net pension liability (Note 9)	1,225,007	1,767,875
Net OPEB liability (Note 10)	170,587	208,079
Capital leases - Net of current portion (Note 6)	-	9,648
Total noncurrent liabilities	18,068,038	19,621,746
Deferred Inflows of Resources		
Deferred pension cost reductions (Note 9)	1,361,691	737,335
Deferred OPEB cost reductions (Note 10)	63,524	44,015
Total deferred inflows of resources	1,425,215	781,350
Net Position		
Net investment in capital assets	72,312,822	56,065,976
Restricted for debt service and capital assets	2,132,592	1,996,733
Unrestricted	18,064,255	13,101,170
Total net position	<u>\$ 92,509,669</u>	<u>\$ 71,163,879</u>

Grand Junction Regional Airport Authority

Statement of Revenue, Expenses, and Changes in Net Position

Years Ended December 31, 2021 and 2020

	2021	2020
Operating Revenue		
Aeronautical revenue:		
Passenger airlines revenue:		
Passenger airlines landing fees	\$ 636,617	\$ 466,624
Terminal rent	1,177,020	1,240,942
Other aeronautical revenue	24,699	23,035
Total passenger airlines revenue	1,838,336	1,730,601
Nonpassenger airline revenue:		
Landing fees from cargo	157,842	224,966
Cargo and hangar rentals	55,228	54,504
Aviation fuel tax	214,606	162,808
Fuel flowage fees	499,208	423,427
Other nonpassenger airline revenue	10,740	6,270
Total nonpassenger airline revenue	937,624	871,975
Total aeronautical revenue	2,775,960	2,602,576
Nonaeronautical revenue:		
Land and building leases	604,274	607,304
Terminal - Food and beverage	139,643	74,555
Terminal - Retail	33,387	17,351
Terminal - Other	183,795	182,884
Rental cars	1,528,349	898,476
Parking and ground transportation	1,502,102	790,594
Other nonaeronautical revenue	80,677	49,904
Total nonaeronautical revenue	4,072,227	2,621,068
Total operating revenue	6,848,187	5,223,644
Operating Expenses		
Personnel compensation and benefits	2,267,004	2,277,753
Communications and utilities	347,665	308,589
Supplies and materials	481,107	426,305
Contract services	662,618	580,375
Repairs and maintenance	905,426	326,306
Insurance	133,707	122,503
Depreciation	5,120,943	5,040,910
Other	272,896	174,847
Total operating expenses	10,191,366	9,257,588
Operating Loss	(3,343,179)	(4,033,944)
Nonoperating Revenue (Expense)		
Passenger facility charges	1,048,646	614,796
Interest income	33,132	67,958
Customer facility charges	689,784	278,624
Grant revenue	4,193,938	4,132,565
Interest expense	(576,578)	(597,230)
Gain on sale of assets	726	14,015
Total nonoperating revenue (expense), net	5,389,648	4,510,728
Income - Before capital contributions	2,046,469	476,784
Capital Contributions	19,299,321	5,573,707
Special Item - Asset impairment (Note 2)	-	(563,161)
Change in Net Position	21,345,790	5,487,330
Net Position - Beginning of year	71,163,879	65,676,549
Net Position - End of year	\$ 92,509,669	\$ 71,163,879

See notes to financial statements.

Grand Junction Regional Airport Authority

Statement of Cash Flows

Years Ended December 31, 2021 and 2020

	2021	2020
Cash Flows from Operating Activities		
Cash received from customers and users	\$ 7,024,301	\$ 5,059,750
Cash paid to vendors for goods and services	(2,770,111)	(1,935,287)
Cash paid to and for employees	(2,318,228)	(2,438,577)
Net cash and cash equivalents provided by operating activities	1,935,962	685,886
Cash Flows Provided by Noncapital Financing Activities - Operating grants - Operating grants and subsidies	5,741,118	16,567
Cash Flows from Capital and Related Financing Activities		
Grants received	12,597,824	9,796,620
Customer facility charges received	689,784	278,624
Passenger facility charges received	1,048,646	614,796
Interest paid	(769,863)	(790,898)
Acquisition and construction of capital assets	(20,914,195)	(11,169,519)
Disposals and adjustments of capital assets	3,353,067	896,682
Principal payments on notes and bonds	(744,951)	(728,349)
Net cash and cash equivalents used in capital and related financing activities	(4,739,688)	(1,102,044)
Cash Flows Provided by Investing Activities - Interest received on cash equivalents	33,132	67,958
Net Increase (Decrease) in Cash and Cash Equivalents	2,970,524	(331,633)
Cash and Cash Equivalents - Beginning of year	12,037,833	12,369,466
Cash and Cash Equivalents - End of year	\$ 15,008,357	\$ 12,037,833
Classification of Cash and Cash Equivalents		
Operating cash	\$ 12,875,765	\$ 10,041,100
Restricted cash and cash equivalents	2,132,592	1,996,733
Total cash and cash equivalents	\$ 15,008,357	\$ 12,037,833

Grand Junction Regional Airport Authority

Statement of Cash Flows (Continued)

Years Ended December 31, 2021 and 2020

	2021	2020
Reconciliation of Operating Loss to Net Cash and Cash Equivalents from Operating Activities		
Operating loss	\$ (3,343,179)	\$ (4,033,944)
Adjustments to reconcile operating loss to net cash and cash equivalents from operating activities:		
Depreciation expense	5,120,943	5,040,910
Changes in assets and liabilities:		
Receivables	138,734	(91,720)
Prepaid expenses	(1,237)	12,205
Accounts payable	41,940	(16,159)
Accrued liabilities	12,181	(63,171)
Net pension and net OPEB liability and related deferred inflows and outflows of resources	(70,800)	(90,058)
Revenue received in advance	41,528	(66,056)
Lease deposits	(4,148)	(6,121)
Total adjustments	5,279,141	4,719,830
Net cash and cash equivalents provided by operating activities	<u>\$ 1,935,962</u>	<u>\$ 685,886</u>

December 31, 2021 and 2020

Note 1 - Nature of Business

Grand Junction Regional Airport Authority (the "Authority") was established in 1971 under the provisions of the Public Airport Authority Act of 1965 when all assets of the city/county-owned airport were transferred to the Authority. The Authority's Board of Commissioners (the "Board") is composed of seven appointed members: three from Mesa County, Colorado; three from the City of Grand Junction, Colorado; and one at-large selection. The term of each director of the Board is four years; no member may serve more than two consecutive four-year terms.

As noted above, neither the City of Grand Junction, Colorado nor Mesa County, Colorado appoint a voting majority of the Board; however, both have signed a supplemental co-sponsorship agreement between the Authority and the Federal Aviation Administration (FAA). The co-sponsorship mandates that the City of Grand Junction, Colorado and Mesa County, Colorado would be liable for the financial commitments of the sponsor under the grant agreements should the Authority not be able to satisfy the financial commitments out of the revenue generated by the operation of the airport.

The reporting entity of the Authority includes those activities and functions over which the Authority is considered to be financially accountable. The Authority's financial statements include the accounts and operations of all of the Authority's functions. The Authority is the primary government and does not include any component units using the criteria set forth in accounting principles generally accepted in the United States of America.

The Authority is a special purpose government engaged only in business-type activities. For this type of government, only enterprise financial statements are presented.

Note 2 - Significant Accounting Policies

Accounting and Reporting Principles

The accompanying financial statements of the Authority have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) prescribed in pronouncements of the Governmental Accounting Standards Board (GASB). The following is a summary of the significant accounting policies used by the Authority:

Basis of Accounting

The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recognized when earned, and expenses are recognized when incurred. Depreciation is computed and recorded as an operating expense. Expenditures for property and equipment are shown as increases in assets. When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first.

The operations of the Authority are accounted for on a fund basis in a single enterprise fund. Enterprise funds may be used to account for operations (a) that are financed and operated in a manner similar to business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges or (b) where the governing body has decided that periodic determination of revenue earned, expenses incurred, and/or changes in net position is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

December 31, 2021 and 2020**Note 2 - Significant Accounting Policies (Continued)*****Specific Balances and Transactions*****Cash and Cash Equivalents**

The Authority considers all highly liquid instruments purchased with an original maturity of three months or less to be cash equivalents.

Receivables

Accounts receivable are stated at invoiced amounts. An allowance for doubtful accounts is established based on a specific assessment of all invoices that remain unpaid following normal customer payment periods. In addition, a general valuation allowance is established for other accounts receivable based on historical loss experience. All amounts deemed to be uncollectible are charged against the allowance for doubtful accounts in the period that determination is made. As of December 31, 2021 and 2020, the allowance for doubtful accounts was \$24,000.

Grants receivable primarily represent reimbursements due from the federal government for allowable costs incurred on federal award programs.

Restricted Assets

The following amounts are reported as restricted assets:

- *Passenger Facility Charges* - The Authority received approval from the FAA to impose and use a PFC of \$4.50 per eligible enplaned passenger. The PFCs are restricted for use in the construction of certain airport improvements and related construction debt, as approved by the FAA. During 2007, the Authority was approved to collect PFCs to help fund airport improvement projects and was approved to collect approximately \$15,857,760 in connection with these projects. In 2018, the Authority was approved to collect an additional \$11,530,025 of PFCs for improvement projects being completed in 2018 and 2019. As of December 31, 2021 and 2020, the Authority had collected \$13,809,272 and \$12,795,423, respectively, of the approved charges, and, based on the project costs in the approved PFC applications and the estimated future PFC collection rate determined by the FAA, the Authority is approved to collect PFCs through 2036. PFC revenue is classified as nonoperating in the statement of revenue, expenses, and changes in net position. PFCs are paid by the carriers, with unexpended amounts reflected as a restriction of net position.
- *Revenue Bond Reserve Fund* - The debt service account is used to segregate resources authorized for use on capital projects with the 2016 bond refinancing. The bond reserve account is drawn down to reimbursement funds spent by the Authority on capital projects. Unexpended amounts are reflected as a restriction of net position.
- *Rental Car Improvements* - In 2008, the Authority began assessing a daily use fee, or customer facility charge (CFC), on airport rental cars. In 2021 and 2020, the CFC charge for on-airport rental cars was \$4 per day. These funds are being used to make payments on debt and fund capital projects in airport rental car service areas. Unexpended amounts are reflected as a restriction of net position.

Capital Assets

Capital assets are defined by the Authority as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, ranging from 5 to 50 years. Depreciation of construction in progress assets begins when an asset is placed in service.

December 31, 2021 and 2020

Note 2 - Significant Accounting Policies (Continued)

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expense) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time.

The Authority reports deferred outflows and inflows of resources related to the pension and OPEB plans as described in Notes 9 and 10.

Net Position

Net position of the Authority is classified in three components. Net investment in capital assets consists of capital assets net of accumulated depreciation and is reduced by the current balances of any outstanding borrowings used to finance the purchase or construction of those assets. The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Unrestricted net position is the remaining net position that does not meet the definition of invested in capital or restricted.

Operating Revenue and Expenses

The statement of revenue, expenses, and changes in net position distinguishes operating revenue and expenses from nonoperating activity and capital contributions. Operating revenue and expenses generally result from providing services in connection with the Authority's principal ongoing operations. The principal operating revenue is charges to airline tenants for facility rentals and landing fees and revenue from passenger services, such as parking and rental cars. Operating expenses include the cost of providing services, administrative costs, repairs and maintenance of the facilities, and depreciation on capital assets.

Nonoperating Revenue and Expenses

All revenue and expenses not meeting the above definition of operating revenue and expenses are reported as nonoperating revenue and expenses or capital contributions. Such items include passenger facility charges, car rental customer facility charges, interest income and expense, and grants.

Grants and Contributions

Outlays for airport capital improvements are subject to reimbursement from federal grant programs through the Airport Improvement Program (AIP) of the FAA. Funds are also received for airport development from the State of Colorado. Funding provided from government grants is considered earned as the related approved capital outlays are incurred. Costs claimed for reimbursement are subject to audit and acceptance by the granting agency.

December 31, 2021 and 2020**Note 2 - Significant Accounting Policies (Continued)****Pension**

The Authority participates in the Local Government Division Trust Fund (LGDTF), a cost-sharing multiple-employer defined benefit pension fund administered by the Public Employees' Retirement Association of Colorado (PERA). The LGDTF provides retirement and disability, postretirement annual increases, and death benefits for members or their beneficiaries. The net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense have been determined using the economic resources measurement focus and the accrual basis of accounting in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*; GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*; and GASB Statement No. 82, *Pension Issues - an amendment of GASB Statement No. 67, No. 68, and No. 73*. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

Other Postemployment Benefit Costs

In addition to the LGDTF described above, the Authority also participates in the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit fund administered by PERA that is considered an other postemployment benefit (OPEB). The HCTF provides a health care premium subsidy to eligible participating PERA benefit recipients and retirees who choose to enroll in one of the PERA health care plans. The net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense have been determined using the economic resources measurement focus and the accrual basis of accounting in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. For this purpose, benefits paid on behalf of health care participants are recognized when due and/or payable in accordance with the benefit terms. Investments are reported at fair value.

Compensated Absences (Vacation and Sick Leave)

In accordance with the vesting method provided under GASB Statement No. 16, *Accounting for Compensated Absences*, accumulated vacation and personal time is accrued based on assumptions concerning the probability that certain employees will become eligible to receive these benefits in the future.

Budgeting Requirements

The Authority's budgeting process is a financial planning tool used to establish the estimated revenue and expenditures for the airport. The budget is prepared by the Authority and approved by the Board in accordance with the State of Colorado's Financial Management Manual and in accordance with Colorado Revised Statutes. The initial budget is submitted to the Board by October 15, and the Authority adopts an appropriation resolution for the next fiscal year by December 31. The Board may amend the appropriation resolution at any time during the year if warranted by circumstances.

The Authority appropriates, and may not exceed appropriations, at a total fund level. Budgeted appropriations for the years ended December 31, 2021 and 2020 were \$24,433,300 and \$25,687,000, respectively.

The budget basis of accounting differs from the generally accepted accounting principles basis in that debt proceeds are included as revenue, outlays for acquisition of capital assets and debt principal payments are included as expenditures, and depreciation is not included in expenditures.

December 31, 2021 and 2020**Note 2 - Significant Accounting Policies (Continued)*****Long-lived Assets***

The Authority reviews the recoverability of long-lived assets, including buildings and equipment, when events or changes in circumstances occur that indicate the carrying value of the asset may not be recoverable. The assessment of possible impairment is based on the ability to recover the carrying value of the asset from the expected future pretax cash flows (undiscounted and without interest charges) of the related operations. If these cash flows are less than the carrying value of such asset, an impairment loss is recognized for the difference between estimated fair value and carrying value. The measurement of impairment requires management to make estimates of these cash flows related to long-lived assets, as well as other fair value determinations.

Special Item - Asset Impairment

As of December 31, 2019, the Authority had identified an impaired asset that was considered idle due to construction stoppage. In 2014, the Authority stopped construction on an administration building that was to be part of the long-term terminal expansion. After reviewing cost estimates to complete the building and considering possible public-private partnerships to fund and complete construction, the Authority made a decision in 2019 to demolish the partially completed structure; therefore, the impairment was considered permanent. As of December 31, 2019, the building was written off and is not included in capital assets not subject to depreciation in the statement of net position, and an impairment loss was recognized in the statement of revenue, expenses, and changes in net position as a special item. The Authority entered into contract on November 8, 2019 to demolish the uncompleted administration building. During the year ended December 31, 2020, the Authority completed the demolition of the building and incurred \$563,161 of additional costs related to this asset. This amount is reflected as a *Special Item - Asset Impairment* in the statement of revenue, expenses, and changes in net position.

Revenue Received in Advance

During March 2017, the Authority granted a lease to the Bureau of Land Management (BLM) for use of airport land for a term of 20 years. The BLM prepaid the entire lease in the amount of \$500,000. The prepayment is reflected as revenue received in advance and is being amortized over the life of the lease in the amount of \$25,000 per year. As of December 31, 2021 and 2020, the unamortized balance was \$369,733 and \$394,800, respectively.

Terminal space rentals and land and building lease payments collected in advance are recorded as a liability and recognized into revenue in the applicable period.

Risk Management

The Authority is exposed to various risks of loss related to torts; errors and omissions; violations of civil rights; theft of, damage to, and destruction of assets; and natural disasters. These risks are covered by commercial insurance. There has been no significant reduction in insurance coverage, and settlement amounts have not materially exceeded coverage for the current or prior three years.

Upcoming Accounting Pronouncements

In June 2017, the GASB issued Statement No. 87, *Leases*, which improves accounting and financial reporting for leases by governments. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The Authority is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for the Authority's financial statements for the year ending December 31, 2022.

December 31, 2021 and 2020

Note 2 - Significant Accounting Policies (Continued)

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*, which clarifies the existing definition of conduit debt, provides a single method of reporting conduit debt obligations by issuers, and eliminates diversity in practice associated with commitments extended by issuers, arrangements associated with conduit debt obligations, and related note disclosures. As a result, issuers should not recognize a liability for items meeting the definition of conduit debt; however, a liability should be recorded for additional or voluntary commitments to support debt service if certain recognition criteria are met. The standard also addresses the treatment of arrangements where capital assets are constructed or acquired with the proceeds of a conduit debt obligation and used by a third-party obligor. The requirements of the standard will be applied retrospectively and are effective for the Authority's financial statements for the December 31, 2022 fiscal year.

In January 2020, the GASB issued Statement No. 92, *Omnibus 2020*. This statement addresses eight unrelated practice issues and technical inconsistencies in authoritative literature. The standard addresses leases, intraentity transfers of assets, postemployment benefits, government acquisitions, risk financing and insurance-related activities of public entity risk pools, fair value measurements, and derivative instruments. The standard has various effective dates. The Authority does not believe this pronouncement will have a significant impact on its financial statements but is still making a full evaluation.

In March 2020, the GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. With the London Interbank Offered Rate (LIBOR) expecting to cease existence in its current form at the end of 2021, this statement addresses accounting and financial reporting implications that result from the replacement of an interbank offered rate (IBOR) in hedging derivative instruments and leases. The removal of LIBOR as an appropriate benchmark interest rate for a hedging derivative instrument is effective for the Authority's financial statements for the December 31, 2022 fiscal year. All other requirements of the statement are effective for the Authority's financial statements for the December 31, 2021 fiscal year. Lease modification requirements are effective one year later.

In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, to bring a uniform guidance on how to report public-private and public-public partnership arrangements. As a result, transferors in public-private or public-public arrangements will recognize receivables for installment payments, deferred inflows of resources, and, when applicable, capital assets. Operators will recognize liabilities for installment payments and intangible right-to-use assets and, when applicable, deferred outflows of resources and liabilities for assets being transferred. This statement also provides guidance for accounting and financial reporting for availability payment arrangements, in which a government compensates an operator for services such as designing, constructing, financing, maintaining, or operating an underlying asset for a period of time in an exchange or exchange-like transaction. The provisions of this statement are effective for the Authority's financial statements for the year ending December 31, 2023.

In May 2020, the Governmental Accounting Standards Board issued Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, which defines SBITAs and provides accounting and financial reporting for SBITAs by governments. This statement requires a government to recognize a subscription liability and an intangible right-to-use subscription asset for SBITAs. The Authority is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for the Authority's financial statements for the year ending December 31, 2023.

December 31, 2021 and 2020

Note 2 - Significant Accounting Policies (Continued)

In June 2020, the Governmental Accounting Standards Board issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. While this standard had certain aspects impacting defined contribution pension and OPEB plans and other employee benefit plans that were effective immediately, it also clarifies when a 457 should be considered a pension plan or an other employee benefit plan to assist in the application of GASB Statement No. 84 to these types of plans. The Authority is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement related to 457 plans are effective for the Authority's financial statements for the year ending December 31, 2022.

Subsequent Events

The financial statements and related disclosures include evaluation of events up through and including July 19, 2022, which is the date the financial statements were available to be issued.

Note 3 - Cash and Cash Equivalents

Deposits and investments are reported in the financial statements as follows:

	2021	2020
Unrestricted cash and cash equivalents	\$ 12,875,765	\$ 10,041,100
Restricted cash - Rental car improvements	1,716,970	1,581,230
Restricted cash equivalents - Revenue bond reserve fund	415,622	415,503
Total deposits and investments	<u>\$ 15,008,357</u>	<u>\$ 12,037,833</u>

The Authority's cash is subject to several types of risk, which are examined in more detail below:

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the Authority's deposits may not be returned to it. The Authority does not have a deposit policy for custodial credit risk; however, the Authority's deposits are not deemed to be subject to custodial credit risk, as they are covered by federal depository insurance or are collateralized under the Public Deposit Protection Act (PDPA). At December 31, 2021 and 2020, the Authority had \$14,160,729 and \$11,157,038, respectively, of bank deposits that were in excess of Federal Deposit Insurance Corporation (FDIC) limits and are covered by PDPA collateral requirements at the financial institution.

Interest Rate Risk

Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The Authority places no limit on the amount the Authority may invest in any one issuer. The Authority does not have any investments subject to concentration of credit risk.

Investments

The Authority does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Colorado statutes limit authorized investments to investments having maturities of five years or less, unless the entity's governing body specifically authorizes longer maturities. Currently, the Authority has no investments.

December 31, 2021 and 2020

Note 3 - Cash and Cash Equivalents (Continued)***Fair Value Measurements***

Fair value measurements are categorized within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs and Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Authority's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

The Authority did not have any investments valued with Level 1, 2, or 3 inputs at December 31, 2021 and 2020.

Note 4 - Capital Assets

Capital asset activity of the Authority as of December 31, 2021 is as follows:

	Balance January 1, 2021	Additions	Disposals and Adjustments	Balance December 31, 2021
Capital assets not being depreciated:				
Land	\$ 2,416,058	\$ -	\$ -	\$ 2,416,058
Construction in progress	13,337,179	19,378,765	(3,351,430)	29,364,514
Subtotal	15,753,237	19,378,765	(3,351,430)	31,780,572
Capital assets being depreciated:				
Buildings and improvements	25,485,347	1,006,789	-	26,492,136
Land improvements	99,742,951	3,372,570	-	103,115,521
Equipment	5,906,319	26,217	(4,189)	5,928,347
Subtotal	131,134,617	4,405,576	(4,189)	135,536,004
Accumulated depreciation:				
Buildings and improvements	13,099,744	1,038,297	-	14,138,041
Land improvements	55,263,721	3,813,997	-	59,077,718
Equipment	4,270,152	268,649	(3,281)	4,535,520
Subtotal	72,633,617	5,120,943	(3,281)	77,751,279
Net capital assets being depreciated	58,501,000	(715,367)	(908)	57,784,725
Net business-type activities capital assets	<u>\$ 74,254,237</u>	<u>\$ 18,663,398</u>	<u>\$ (3,352,338)</u>	<u>\$ 89,565,297</u>

Grand Junction Regional Airport Authority

Notes to Financial Statements

December 31, 2021 and 2020

Note 4 - Capital Assets (Continued)

Capital asset activity of the Authority as of December 31, 2020 is as follows:

	Balance January 1, 2020	Additions	Disposals and Adjustments	Balance December 31, 2020
Capital assets not being depreciated:				
Land	\$ 2,416,058	\$ -	\$ -	\$ 2,416,058
Construction in progress	7,348,723	6,885,138	(896,682)	13,337,179
Subtotal	9,764,781	6,885,138	(896,682)	15,753,237
Capital assets being depreciated:				
Buildings and improvements	24,588,665	896,682	-	25,485,347
Land improvements	99,735,642	7,309	-	99,742,951
Equipment	5,743,753	196,321	(33,755)	5,906,319
Subtotal	130,068,060	1,100,312	(33,755)	131,134,617
Accumulated depreciation:				
Buildings and improvements	12,109,746	989,998	-	13,099,744
Land improvements	51,537,718	3,726,003	-	55,263,721
Equipment	3,993,174	308,679	(31,701)	4,270,152
Subtotal	67,640,638	5,024,680	(31,701)	72,633,617
Net capital assets being depreciated	62,427,422	(3,924,368)	(2,054)	58,501,000
Net business-type activities capital assets	\$ 72,192,203	\$ 2,960,770	\$ (898,736)	\$ 74,254,237

Construction in progress activity of the Authority as of December 31, 2021 is as follows:

	Balance January 1, 2021	Additional Cost	Transfer to Capital Assets	Balance December 31, 2021
AIP 58 - 27 1/4 road relocation	\$ 2,688,879	\$ -	\$ (2,688,879)	\$ -
AIP 60 - RTR RA and Xcel	574,754	-	(574,754)	-
AIP 62 - Relocate perimeter road	5,247,418	4,077	-	5,251,495
AIP 63 - Phase 8	3,598,070	6,706	-	3,604,776
AIP 65 - Run-up pad and apron design	553,295	-	-	553,295
AIP 66 - Run-up pad and apron	491,759	12,380,543	-	12,872,302
AIP 67 - TWY A & RWY 11/29 Rehab Construction	-	5,388,989	4,163	5,393,152
AIP 68 - Grading and Drainage Design for RWY Replacement Program	-	1,159,358	91,043	1,250,401
AIP 69 - Airport Development Plan	-	256,069	-	256,069
AIP 72 - Grading and Drainage Construction Grant - Schedules 1-3	-	9,452	-	9,452
Various improvement projects	183,004	173,571	(183,003)	173,572
Total	\$ 13,337,179	\$ 19,378,765	\$ (3,351,430)	\$ 29,364,514

December 31, 2021 and 2020

Note 4 - Capital Assets (Continued)

Construction in progress activity of the Authority as of December 31, 2020 is as follows:

	Balance January 1, 2020	Additional Cost	Transfer to Capital Assets	Balance December 31, 2020
AIP 58 - 27 1/4 road relocation	\$ 2,612,990	\$ 75,889	\$ -	\$ 2,688,879
AIP 60 - RTR RA and Xcel	678,203	(103,449)	-	574,754
AIP 62 - Relocate perimeter road	2,603,152	2,644,266	-	5,247,418
AIP 63 - Phase 8	1,359,871	2,238,199	-	3,598,070
AIP 65 - Run-up pad and apron design	-	553,295	-	553,295
AIP 66 - Run-up pad and apron	63,191	428,568	-	491,759
Various improvement projects	31,316	1,048,370	(896,682)	183,004
Total	<u>\$ 7,348,723</u>	<u>\$ 6,885,138</u>	<u>\$ (896,682)</u>	<u>\$ 13,337,179</u>

Construction Commitments

The Authority has active construction projects at year end. The projects include the bond issue and the project. At year end, the Authority's commitments with contractors are as follows:

	Spent to Date	Remaining Commitment
AIP 63 - Phase 8 - runway object free area road, fencing, drainage pond, storm drainage, and earthwork	\$ 3,604,477	\$ 25,338
AIP 66 - Construct Run-up Pad & Rehab W Commercial Apron	12,855,257	20,035
AIP 67 - TWY A & RWY 11/29 Rehab Construction	5,435,540	68,987
AIP 68 - Grading and Drainage Design for RWY Replacement Program	1,311,185	92,206
AIP 69 - Airport Development Plan	250,569	779,345
AIP 72 - Grading and Drainage Construction Grant - Schedules 1-3	142	15,872,779
Total	<u>\$ 23,457,170</u>	<u>\$ 16,858,690</u>

Note 5 - Accrued Expenses

Accrued expenses as of December 31, 2021 and 2020 consist of the following:

	2021	2020
Accrued vacation	\$ 181,560	\$ 169,118
Compensation and related	34,481	27,347
Interest	61,538	63,988
Other	13,364	20,759
Total	<u>\$ 290,943</u>	<u>\$ 281,212</u>

December 31, 2021 and 2020

Note 6 - Long-term Debt

Long-term debt activity for the years ended December 31, 2021 and 2020 can be summarized as follows:

		2021				Due within One Year
		Beginning Balance	Additions	Reductions	Ending Balance	
Bonds and contracts payable:						
Direct borrowings and direct placements:						
Revenue bonds, Series 2016A and 2016B	\$	16,935,000	\$ -	\$ (735,000)	\$ 16,200,000	\$ 765,000
Bond premium		1,232,179	-	(189,352)	1,042,827	175,116
Capital lease		21,082	-	(11,434)	9,648	9,648
Total direct borrowings and direct placements principal outstanding	\$	18,188,261	\$ -	\$ (935,786)	\$ 17,252,475	\$ 949,764
		2020				Due within One Year
		Beginning Balance	Additions	Reductions	Ending Balance	
Bonds and contracts payable:						
Direct borrowings and direct placements:						
Revenue bonds, Series 2016A and 2016B	\$	17,650,000	\$ -	\$ (715,000)	\$ 16,935,000	\$ 735,000
Bond premium		1,423,969	-	(191,790)	1,232,179	190,835
Capital lease		34,431	-	(13,349)	21,082	11,434
Total direct borrowings and direct placements principal outstanding	\$	19,108,400	\$ -	\$ (920,139)	\$ 18,188,261	\$ 937,269

Interest expense consists of the following for the years ended December 31:

	2021	2020
Revenue bonds, Series 2016A and 206B	\$ 766,881	\$ 788,208
Bond premium	(190,835)	(191,791)
Capital lease	532	813
Total	\$ 576,578	\$ 597,230

2016 Bonds

The Authority issued Airport Revenue Bonds, Series 2016A and 2016B, dated November 22, 2016, in the amount of \$19,670,000, for the purpose of refunding the 2007 Series bonds. The bonds are secured by net operating revenue by the Authority. The bonds bear interest from 2.3 percent to 5.0 percent with interest payable semiannually on June 1 and December 1, with principal payable annually on December 1 and maturing on December 1, 2036. The bonds are subject to certain restrictive covenants.

Note 6 - Long-term Debt (Continued)

The debt service requirements to maturity, excluding any unamortized premium, are as follows:

Years Ending December 31	Principal	Interest	Total
2022	\$ 765,000	\$ 738,450	\$ 1,503,450
2023	795,000	707,850	1,502,850
2024	835,000	668,100	1,503,100
2025	880,000	626,350	1,506,350
2026	920,000	582,350	1,502,350
2027-2031	5,320,000	2,195,000	7,515,000
2031-2035	6,685,000	839,825	7,524,825
Total	<u>\$ 16,200,000</u>	<u>\$ 6,357,925</u>	<u>\$ 22,557,925</u>

Capital Lease

The Authority entered into a vehicle lease agreement with GM Financial on May 17, 2019. The finance agreement is secured by a vehicle with a net book value of \$40,730 as of December 31, 2021 and 2020 carries an interest rate of 2.5 percent. The lease payments are paid in annual installments of principal and interest of \$11,965 through May 2022.

	Principal	Interest	Total
2021	\$ 9,648	\$ 244	\$ 9,892
Total	<u>\$ 9,648</u>	<u>\$ 244</u>	<u>\$ 9,892</u>

Revenue Pledged

The Authority has pledged substantially all of the net operating revenue of the Authority, net of operating expenses (before depreciation), to repay the Series 2016A and 2016B bonds. A portion of the proceeds were used to refund the 2007 Series bonds used to finance the construction of Walker Field Drive improvements and new project funds of approximately \$9,000,000 included in the issuance was used to help finance terminal improvements and runway replacement project costs. The bonds are payable solely from the net revenue of the Authority. The remaining principal and interest to be paid on the bonds is \$22,557,925 and \$24,060,775 as of December 31, 2021 and 2020, respectively. For the years ended December 31, 2021 and 2020, net revenue of the Authority pledged for debt service before CARES Act grant revenue was approximately \$2,886,000 and \$1,007,000, respectively. CARES Act revenues totaling \$454,202 and \$890,579 were used towards 2021 and 2020 debt service and as of December 31, 2021 and 2020, respectively. The Authority has \$3,154,154 in remaining CARES Act funds available to pay future debt service or operating expenses as of December 31, 2021. For the years ended December 31, 2021 and 2020, net revenue of the Authority pledged for debt service was approximately \$1,699,000 and \$2,508,000, respectively, compared to the annual debt requirements of \$1,502,850 and \$1,505,183, respectively.

December 31, 2021 and 2020**Note 7 - Future Rental Revenue**

The Authority leases a portion of its property under noncancelable operating lease agreements for airline operations, concessions, and other commercial and private purposes.

The following is a summary of approximate future minimum rental payments to be received under noncancelable operating leases:

<u>Years Ending</u>	<u>Amount</u>
2022	\$ 1,340,187
2023	1,073,079
2024	736,792
2025	358,932
2026	333,693
Thereafter	1,361,198
Total	<u>\$ 5,203,881</u>

Note 8 - Concession Agreements

In April 2011, the Authority renewed an agreement with Republic Parking System Inc. (Republic), a privately held corporation part of the Reef network, under which Republic will operate, maintain, and retain fees from the airport's terminal building public parking areas through March 2016. In January 2016, the agreement was extended for one additional five-year term, terminating on March 31, 2021 at the mutual agreement of the Authority and Republic. In April 2021, the agreement was extended for additional three-year term, terminating on March 31, 2024. Republic is required to operate and maintain the public parking areas in accordance with the Parking Lot Operating Agreement (the "Agreement"); the Agreement also regulates the parking rates and fees that may be charged. In consideration of its operating rights hereunder, Republic shall pay the Authority the greater of (a) the applicable percentage of annual gross revenue or (b) the minimum annual guarantees for each year the Agreement is in effect as amended. The term "applicable percentage of annual gross revenue" means 80.45 percent of gross revenue from \$0 up to and including \$500,000 plus 91.50 percent of gross revenue in excess of \$500,000. The term "minimum annual guarantees" means for each year the Agreement is in effect, as amended, and the guarantees shall be \$350,000 each year.

In May 2015, the Authority renewed agreements with various rental car companies, under which the rental car companies are granted the right to operate and retain fees from a nonexclusive rental car concession from the Authority, lease motor vehicles from the rental car office and ticket counter area located in the airport terminal building assigned to the respective companies, and to park and store motor vehicles owned or leased by it in the parking lot spaces assigned to the respective companies through April 2022. The rental car companies are required to operate and maintain the rental car areas in accordance with the Airport Facilities Lease and Rental Car Concession Agreement. In consideration of its operating rights hereunder, the rental car companies shall pay the Authority the guaranteed minimum concession fee set forth for each period of the concession term set forth on the bid proposal or 10 percent of their gross revenue for each such period of the concession term, whichever amount is greater. For each of the subsequent years of the concession term, the annual guaranteed minimum concession shall be the year-one MAG or 85 percent of 10 percent of their previous contract year's annual gross revenue, whichever is greater.

In May 2016, the Authority entered into a service agreement with a concession company. Under the agreement, the company is granted the right to operate a restaurant and retail space in the airport through April 30, 2023. In consideration of its operating rights, the company shall pay the Authority the guaranteed minimum annual fee of \$60,000, prorated monthly, or a graduated percentage of gross revenue for each such period of the concession term, whichever is the greater amount.

December 31, 2021 and 2020

Note 8 - Concession Agreements (Continued)

In 2021, the minimum concession fees from rental car and restaurant concessionaires were \$888,000 and \$60,000, respectively. The minimum annual guarantee for Republic parking in 2021 and 2020 was \$350,000.

In 2020, the minimum concession fees for rental car and restaurant concessionaires were contractually suspended due to the decrease in passenger traffic. According to the rental car contracts and the concessionaire contract for restaurant and retail services, the minimum annual guarantee will be temporarily suspended if the number of revenue passengers for a period of two consecutive calendar months is less than 75 percent of the average number of passengers in the same two calendar months of the preceding calendar year. As a result of COVID-19, which has significantly reduced passenger traffic in 2020, the minimum annual guarantee was temporarily suspended in 2020 and the suspension was released in 2021.

Note 9 - Pension Plans

Plan Description

The Authority participates in the LGDTF, a cost-sharing multiple-employer defined benefit pension fund administered by PERA. Plan benefits are specified in Title 24 of the Colorado Revised Statutes (CRS) and applicable provisions of the federal Internal Revenue Code. Colorado state law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available Comprehensive Annual Financial Report that includes financial statements and required supplemental information for the LGDTF that can be obtained at www.copera.org/investments/pera-financial-reports. The report can also be obtained by writing to Colorado PERA, 1301 Pennsylvania Street, Denver, CO 80203 or by calling PERA at 1-800-759-PERA (7372) or 303-832-9550.

The LGDTF provides retirement, disability, and survivor benefits for members or their beneficiaries. Retirement benefits are based upon a number of factors, including retirement age, years of credited service, and highest average salary. Retirement eligibility is specified in tables set forth in the Colorado Revised Statutes. The lifetime retirement benefit for all eligible retiring employees under the PERA benefit structure is generally the greater of the following:

- Highest average salary multiplied by 2.5 percent and then multiplied by the credited years of service
- The value of the retiring employee's member contribution account plus a 100 percent match on eligible amounts as of the retirement date. This amount is then annuitized into a monthly benefit based on life expectancy and other actuarial factors.

In all cases, the service retirement benefit is limited to 100 percent of highest average salary and also cannot exceed the maximum benefit allowed by federal Internal Revenue Code. Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers, waiving rights to any lifetime retirement benefits earned. If eligible, the member may receive a match of either 50 percent or 100 percent on eligible amounts depending on when contributions were remitted to PERA, the date employment was terminated, whether five years of service credit has been obtained, and the benefit structure under which contributions were made.

Disability benefits are available for eligible employees once they reach 5 years of earned service credit and meet the definition of a disability. These benefits are divided into a two-tier disability program consisting of a short-term disability program and a disability retirement benefit. At benefit commencement, the member can choose from different payment options, some of which can continue after the retiree's death to a named beneficiary, and for which the benefit amount is appropriately adjusted. Generally, the disability benefit amount is based on the retirement benefit formula shown above considering a minimum 20 years of service credit, if deemed disabled.

December 31, 2021 and 2020

Note 9 - Pension Plans (Continued)

Survivor benefits are determined by several factors, which include the amount of earned service credit, highest average salary of the deceased, the benefit structure under which service credit was obtained, and the qualified survivor who will receive the benefits.

Funding Policy

Eligible employees and the Authority are required to contribute to the LGDTF at a rate set by Colorado statute. The contribution requirements of plan members and the Authority are established under Title 24, Article 51, Part 4 of the CRS, as amended. The contribution rate was 8.00 percent of covered salary through June 30, 2020, and 8.50 percent thereafter for eligible employees. The Authority's contribution requirements as a percentage of employee salaries for the years ended December 31, 2021 and 2020 are summarized in the table below:

	2021	2020
Employer contribution rate apportioned to the LGDTF	9.48 %	9.48 %
Amortization equalization disbursement (AED)	2.20	2.20
Supplemental amortization equalization disbursement (SAED)	1.50	1.50
Total employer contribution rate to the LGDTF	13.18 %	13.18 %

The Authority's contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the member and the Authority is statutorily committed to pay the contributions to the LGDTF. The Authority's contributions to LGDTF for the years ended December 31, 2021 and 2020 were \$210,946 and \$211,066, respectively.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2021 and 2020, the Authority reported a liability of \$1,225,007 and \$1,767,875, respectively, for its proportionate share of the net pension liability. The net pension liability as of December 31, 2021 and 2020 was measured as of December 31, 2020 and 2019, respectively, and the total pension liability used to calculate the net pension liability was determined as of December 31, 2020 and 2019, respectively, using standard roll-forward techniques in actuarial valuations as of December 31, 2019 and 2018. The Authority's proportion of the net pension liability for the years ended December 31, 2021 and 2020 was based on the Authority's contributions to the LGDTF for the calendar years 2020 and 2019, respectively, relative to the total contributions of participating employers to the LGDTF. At December 31, 2020, the Authority's proportion was .2351 percent, which was a decrease of .0066 percent from its proportion measured as of December 31, 2019. At December 31, 2019, the Authority's proportion was .2417 percent, which is an increase of 0.0207 percent from its proportion measured as of December 31, 2018. For the years ended December 31, 2021 and 2020, the Authority recognized pension recovery of \$(57,954) and \$(88,685), respectively.

December 31, 2021 and 2020

Note 9 - Pension Plans (Continued)

The Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2021		2020	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 59,228	\$ -	\$ 115,687	\$ -
Changes in assumptions	296,036	-	-	-
Net difference between projected and actual earnings on pension plan investments	-	1,324,778	-	723,262
Changes in proportionate share or difference between amount contributed and proportionate share of contributions	25,740	36,913	122,158	14,073
Employer contributions to the plan subsequent to the measurement date	210,946	-	214,663	-
Total	<u>\$ 591,950</u>	<u>\$ 1,361,691</u>	<u>\$ 452,508</u>	<u>\$ 737,335</u>

The Authority reports deferred outflows of resources related to pensions resulting from the Authority's contributions to the plan subsequent to the measurement date. Amounts reported as deferred outflows as of December 31, 2021 and 2020 were \$210,946 and \$214,663, respectively, which will be recognized as a reduction of the net pension liability in the years ending December 31, 2022 and 2021, respectively. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years Ending December 31	Net Amortization
2022	\$ (113,645)
2023	(118,514)
2024	(218,616)
2025	(264,956)
2026	(264,956)
Total	<u>\$ (980,687)</u>

Actuarial Assumptions

The total pension liability in the December 31, 2019 and 2018 actuarial valuations was determined using the following actuarial cost method, actuarial assumptions, and other inputs:

December 31, 2021 and 2020

Note 9 - Pension Plans (Continued)

	December 31, 2018 Valuation
Actuarial cost method	Entry age
Price inflation	2.40 percent
Real wage growth	1.10 percent
Wage inflation	3.50 percent
Salary increases (including inflation)	3.50-10.45 percent
Long-term investment rate of return (net of plan investment expenses, including price inflation)	7.25 percent
Discount rate	7.25 percent
Mortality	
Active members	RP-2014 White Collar Employee Table
Post-retirement non-disabled	RP-2014 Healthy Annuitant Table with adjustments
Disabled retirees	90 Percent of the RP-2014 Disabled Retiree Table
Postretirement benefit increases:	
PERA benefit structure hired prior to January 1, 2007 and DPS benefit structure (automatic)	1.25-1.50 percent compounded annually
PERA benefit structure hired after December 31, 2006 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve
	December 31, 2019 Valuation*
Actuarial cost method	Entry age
Price inflation	2.30 percent
Real wage growth	0.70 percent
Wage inflation	3.00 percent
Salary increases (including inflation)	3.20-11.30 percent
Long-term investment rate of return (net of plan investment expenses, including price inflation)	7.25 percent
Discount rate	7.25 percent
Mortality	
Active members	PubG-2010 Employee Table with generational projection using scale MP-2019
Post-retirement non-disabled	PubG-2010 Healthy Retiree Table with adjustments
Disabled retirees	PubNS-2010 Disabled Retiree Table using 99 percent of the rates for all ages with generational projection using scale MP-2019
Postretirement benefit increases:	
PERA benefit structure hired prior to January 1, 2007 and DPS benefit structure (automatic)	1.25-1.50 percent compounded annually
PERA benefit structure hired after December 31, 2006 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve

* The actuarial assumptions used in the December 31, 2019, valuation were based on the results of the 2016 experience analysis for the period January 1, 2012, through December 31, 2015, as well as the October 28, 2016, actuarial assumptions workshop and were adopted by PERA's Board during the November 18, 2016, Board meeting. Based on the 2020 experience analysis, dated October 28, 2020, for the period January 1, 2016, through December 31, 2019, revised economic and demographic assumptions were adopted by PERA's Board on November 20, 2020, and were effective as of December 31, 2020. The assumptions shown above were reflected in the roll forward calculation of the total pension liability from December 31, 2019, to December 31, 2020.

Note 9 - Pension Plans (Continued)***Discount Rate***

The discount rate used to measure the total pension liability was 7.25 percent for the years ended December 31, 2021 and 2020. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50 percent.
- Employee contributions were assumed to be made at the current member contribution rate. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date, including current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103 percent, at which point the AED and SAED will each drop 0.50 percent every year until they are zero. Additionally, estimated employer contributions included reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial fiduciary net position, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.
- The projected benefit payments reflect the lowered annual increase cap, from 1.50 percent to 1.25 percent, resulting from the 2018 AAP assessment, statutorily recognized July 1, 2019 and effective July 1, 2020.

Based on the above assumptions and methods, the LGDTF's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25 percent on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination does not use the municipal bond index rate, and, therefore, the discount rate is 7.25 percent. There was no change in the discount rate from the prior measurement date.

December 31, 2021 and 2020

Note 9 - Pension Plans (Continued)***Investment Rate of Return***

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four or five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in the Experience Study report dated October 28, 2020. As a result of the November 20, 2020, PERA Board meeting, the following economic assumptions were changed, effective December 31, 2020:

- Price inflation assumption decreased from 2.40 percent per year to 2.30 percent per year.
- Real rate of investment return assumption increased from 4.85 percent per year, net of investment expenses to 4.95 percent per year, net of investment expenses.
- Wage inflation assumption decreased from 3.50 percent per year to 3.00 percent per year.

Several factors were considered in evaluating the long-term rate of return assumption for the LGDTF, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

As of the most recent adoption of the long-term expected rate of return by the PERA board, the target asset allocation and best estimates of geometric real rates of return for each major asset class for December 31, 2021 and 2020 are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Global Equity	54.00 %	4.30 %
Fixed Income	23.00 %	1.30 %
Private Equity	8.50 %	7.10 %
Real Estate	8.50 %	4.40 %
Alternatives	6.00 %	4.70 %

In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected rate of return assumption of 7.25 percent.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the Authority's proportionate share of the net pension liability calculated using the discount rate of 7.25 percent, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.25 percent) or 1 percentage point higher (8.25 percent) than the current rate:

	1 Percentage Point Decrease	Current Discount Rate	1 Percentage Point Increase
Authority's proportionate share of the net pension liability (asset) as of December 31, 2021	\$ 2,821,929	\$ 1,225,007	\$ (108,214)
Authority's proportionate share of the net pension liability as of December 31, 2020	\$ 3,247,455	\$ 1,767,875	\$ 523,562

Detailed information about the pension plan's fiduciary net position is available in PERA's Comprehensive Annual Financial Report, which can be obtained at www.copera.org/investments/pera-financial-reports.

December 31, 2021 and 2020

Note 9 - Pension Plans (Continued)

Changes between the Measurement Date of the Net Pension Liability

House Bill (HB) 20-1379, enacted on June 29, 2020, suspended the \$25 million direct distribution payable on July 1, 2020 for the State's 2020-21 fiscal year.

Note 10 - Other Postemployment Benefit Plan

Plan Description

In addition to the defined benefit pension plan, employees of the Authority are provided with OPEB through the HCTF, a cost-sharing multiple-employer health care trust administered by PERA. The HCTF provides a health care premium subsidy to eligible PERA participating benefit recipients and their eligible beneficiaries. Title 24, Article 51, Part 12 of the CRS, as amended, assigns the authority to establish the HCTF benefit provisions to the PERA board to contract, self-insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of the premium subsidies. Colorado state law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available Comprehensive Annual Financial Report that includes financial statements and required supplemental information for the HCTF. That report may be obtained online at www.copera.org; by writing to Colorado PERA, 1301 Pennsylvania Street, Denver, CO 80203; or by calling PERA at 1-800-759-PERA (7372) or 303-832-9550.

Benefits Provided

The HCTF provides a health care premium subsidy to eligible participating PERA benefit recipients and retirees who choose to enroll in one of the PERA health care plans; however, the subsidy is not available if only enrolled in the dental and/or vision plan(s). The health care premium subsidy is based upon the benefit structure under which the member retires and the member's years of service credit.

Enrollment in PERACare is voluntary and is available to benefit recipients and their eligible dependents, certain surviving spouses, and divorced spouses and guardians, among others. Eligible benefit recipients may enroll into the program upon retirement, upon the occurrence of certain life events, or on an annual basis during an open enrollment period.

The maximum service-based premium subsidy is \$230 per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is \$115 per month for benefit recipients who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The basis for the maximum service-based subsidy, in each case, is for benefit recipients with retirement benefits based on 20 or more years of service credit. There is a 5 percent reduction in the subsidy for each year less than 20. The benefit recipient pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

For benefit recipients who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, C.R.S. § 24-51-1206(4) (CRS) provides an additional subsidy. According to the statute, PERA cannot charge premiums to benefit recipients without Medicare Part A that are greater than premiums charged to benefit recipients with Part A for the same plan option, coverage level, and service credit. Currently, for each individual PERACare enrollee, the total premium for Medicare coverage is determined assuming plan participants have both Medicare Part A and Part B, and the difference in premium cost is paid by the HCTF on behalf of benefit recipients not covered by Medicare Part A.

December 31, 2021 and 2020

Note 10 - Other Postemployment Benefit Plan (Continued)**Contributions**

In accordance with the CRS, certain contributions are apportioned to the HCTF. The Authority is required to contribute at a rate of 1.02 percent of PERA-includable salary into the HCTF. Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the Authority is statutorily committed to pay the contributions. The Authority's contributions to the HCTF for the years ended December 31, 2021 and 2020 were \$16,894 and \$16,978, respectively.

Net OPEB Liability

At December 31, 2021 and 2020, the Authority reported a liability of \$170,587 and \$208,079, respectively, for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2020 and 2019, respectively, and the total OPEB liability used to calculate the net OPEB liability was determined by actuarial valuations as of December 31, 2019 and 2018, respectively. Standard update procedures were used to roll forward the total OPEB liability to December 31, 2020 and 2019.

The Authority's proportion of the net OPEB liability for the years ended December 31, 2021 and 2020 was based on the Authority's contributions to the HCTF for the calendar years 2020 and 2019, respectively, relative to the total contributions of participating employers to the HCTF. At December 31, 2020, the Authority's proportion was 0.01795 percent, which was a decrease of 0.00056 percent from its proportion measured as of December 31, 2019. At December 31, 2019, the Authority's proportion was 0.01851 percent, which was an increase of 0.00137 percent from its proportion measured as of December 31, 2018.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the years ended December 31, 2021 and 2020, the Authority recognized OPEB expense of \$12,846 and \$15,705, respectively.

At December 31, 2021 and 2020, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2021		2020	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 453	\$ 37,503	\$ 691	\$ 34,965
Changes in assumptions	1,275	10,460	-	3,473
Net difference between projected and actual earnings on OPEB plan investments	-	6,970	1,726	-
Changes in proportionate share or difference between amount contributed and proportionate share of contributions	14,494	8,591	18,568	5,577
Employer contributions to the plan subsequent to the measurement date	16,894	-	17,268	-
Total	\$ 33,116	\$ 63,524	\$ 38,253	\$ 44,015

December 31, 2021 and 2020

Note 10 - Other Postemployment Benefit Plan (Continued)

The Authority reports deferred outflows of resources related to OPEB resulting from the Authority's contributions to the plan subsequent to the measurement date. Amounts reported as deferred outflows as of December 31, 2021 and 2020 were \$16,894 and \$17,268, respectively, which will be recognized as a reduction of the net OPEB liability in the years ending December 31, 2022 and 2021, respectively. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years Ending December 31	Net Amortization
2022	\$ 6,291
2023	6,291
2024	7,236
2025	7,329
2026	10,183
Thereafter	9,972
Total	<u>\$ 47,302</u>

Actuarial Assumptions

The total OPEB liability for the HCTF in the December 31, 2019 and 2018 actuarial valuations was determined using the same assumptions as the LGDTF for the following assumptions: mortality tables, actuarial cost method, price inflation, real wage growth, wage inflation, and salary increases.

The health care cost trend rates used to measure the total OPEB liability are summarized in the table below:

Year	PERACare Medicare Plans	Medicare Part A Premiums
2020	8.10 %	3.50 %
2021	6.40 %	3.75 %
2022	6.00 %	3.75 %
2023	5.70 %	3.75 %
2024	5.50 %	4.00 %
2025	5.30 %	4.00 %
2026	5.10 %	4.00 %
2027	4.90 %	4.25 %
2028	4.70 %	4.25 %
2029+	4.50 %	4.50 %

The following health care costs assumptions were updated and used in the roll forward calculation for the Trust Fund:

- Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2020 plan year.
- The health care cost trend rates for Medicare Part A premiums were revised to reflect the then-current expectation of future increases in rates of inflation applicable to Medicare Part A premiums

December 31, 2021 and 2020**Note 10 - Other Postemployment Benefit Plan (Continued)**

The actuarial assumptions used in the December 31, 2019, valuation were based on the results of the 2016 experience analysis for the period January 1, 2012, through December 31, 2015, as well as the October 28, 2016, actuarial assumptions workshop and were adopted by PERA's Board during the November 18, 2016, Board meeting. Based on the 2020 experience analysis, dated October 28, 2020, and November 4, 2020, for the period of January 1, 2016, through December 31, 2019, revised economic and demographic assumptions were adopted by PERA's Board on November 20, 2020, and were effective as of December 31, 2020. Assumptions were in the roll forward calculation of the total OPEB liability from December 31, 2019, to December 31, 2020.

Discount Rate

The discount rate used to measure the total OPEB liability was 7.25 percent at December 31, 2021 and 2020. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2020 and 2019 measurement dates
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00 percent.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Estimated transfers of dollars into the Trust Fund representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and methods, the projection test indicates the HCTF's fiduciary net position was projected to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25 percent on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The discount rate determination does not use the municipal bond index rate, and, therefore, the discount rate is 7.25 percent.

Investment Rate of Return

The long-term expected return on OPEB plan investments is the same as the long-term expected return on the LGDTF investments described above and is reviewed as part of regular experience studies prepared every four or five years for PERA.

In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected rate of return assumption of 7.25 percent.

December 31, 2021 and 2020

Note 10 - Other Postemployment Benefit Plan (Continued)***Sensitivity of the Net OPEB Liability to Changes in the Discount Rate***

The following presents the proportionate share of the net OPEB liability of the Authority, calculated using the discount rate of 7.25 percent, as well as what the Authority's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percentage Point Decrease (6.25%)	Current Discount Rate (7.25%)	1 Percentage Point Increase (8.25%)
Proportionate share of the net OPEB liability as of December 31, 2021	\$ 195,410	\$ 170,587	\$ 149,377
Proportionate share of the net OPEB liability as of December 31, 2020	\$ 235,275	\$ 208,079	\$ 184,820

Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate

The following presents the proportionate share of the net OPEB liability of the Authority, calculated using the current health care cost trend rates applicable to the PERA benefit structure, as well as what the Authority's net OPEB liability would be if it were calculated using health care cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current rates:

	1 Percentage Point Decrease in Trend Rates	Current Health Care Cost Trend Rates	1 Percentage Point Increase in Trend Rates
Net OPEB liability as of December 31, 2021	\$ 166,178	\$ 170,587	\$ 175,720
Net OPEB liability as of December 31, 2020	\$ 203,136	\$ 208,079	\$ 213,791

Note 11 - Defined Contribution Pension Plan

Employees of the Authority who are also members of the LGDTF may voluntarily contribute to the Voluntary Investment Program, an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA. Title 24, Article 51, Part 14 of the CRS, as amended, assigns the authority to establish the plan provisions to the PERA board of trustees. PERA issues a publicly available CAFR, which includes additional information on the Voluntary Investment Program. That report can be obtained at www.copera.org/investments/pera-financial-reports.

The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the CRS, as amended. In addition, the Authority has agreed to match employee contributions up to 4 percent of covered salary as determined by the Internal Revenue Service. Employees are immediately vested in their own contributions, employer contributions, and investment earnings. For the years ended December 31, 2021 and 2020, the Authority made matching contributions of \$48,246 and \$46,227, respectively.

December 31, 2021 and 2020

Note 12 - Commitments

Tax, Spending, and Debt Limitations

In November 1992, voters passed an amendment to the Constitution of the State of Colorado, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments. The amendment excludes enterprises from its provisions. Enterprises, defined as government-owned businesses authorized to issue revenue bonds and receiving less than 10 percent of their annual revenue in grants from all state and local governments combined, are excluded from the provisions of the amendment. It is the Authority's opinion that it qualifies for the exclusion and is, therefore, excluded from the provisions of the amendment.

Federally Assisted Grant Programs

The Authority participates in federally assisted grant programs. These programs are subject to the provisions of the Single Audit Act of 1996 and the Uniform Grant Guidance. The amount, if any, of expenditures that may be disallowed by the granting agency cannot be determined at this time, although the Authority expects such amounts, if any, to be immaterial.

Required Supplemental Information

Grand Junction Regional Airport Authority

Required Supplemental Information Schedule of the Authority's Proportionate Share of the Net Pension Liability Local Government Division Fund Administered by the Colorado Public Employees' Retirement Association

	Last Eight Plan Years*							
	Measurement Periods Ended December 31							
	2020	2019	2018	2017	2016	2015	2014	2013
Authority's proportion of the net pension liability	0.23507 %	0.24171 %	0.22102 %	0.22859 %	0.22504 %	0.25758 %	0.23838 %	0.26113 %
Authority's proportionate share of the net pension liability	\$ 1,225,007	\$ 1,767,875	\$ 2,778,666	\$ 2,545,148	\$ 3,038,815	\$ 2,837,459	\$ 2,136,600	\$ 2,148,912
Authority's covered payroll	\$ 1,674,993	\$ 1,683,336	\$ 1,449,631	\$ 1,442,006	\$ 1,363,996	\$ 1,462,822	\$ 1,306,200	\$ 1,393,165
Authority's proportionate share of the net pension liability as a percentage of its covered payroll	73.14 %	105.02 %	191.68 %	176.50 %	222.79 %	193.97 %	163.57 %	154.25 %
Plan fiduciary net position as a percentage of the total pension liability	90.88 %	86.26 %	75.96 %	79.37 %	73.65 %	76.87 %	80.72 %	77.66 %

*The required supplemental information is intended to show information for 10 years, and additional years' information will be displayed as it becomes available.

Grand Junction Regional Airport Authority

Required Supplemental Information Schedule of Pension Contributions Local Government Division Trust Pension Plan Administered by the Colorado Public Employees' Retirement Association

	Last Eight Fiscal Years*							
	Years Ended December 31							
	2021	2020	2019	2018	2017	2016	2015	2014
Statutorily required contribution	\$ 210,946	\$ 214,762	\$ 211,066	\$ 183,815	\$ 182,848	\$ 172,959	\$ 185,490	\$ 165,627
Contributions in relation to the statutorily required contribution	210,946	214,762	211,066	183,815	182,848	172,959	185,490	165,627
Contribution Deficiency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Authority's Covered Payroll	\$ 1,601,532	\$ 1,674,993	\$ 1,683,336	\$ 1,449,631	\$ 1,442,006	\$ 1,363,996	\$ 1,462,822	\$ 1,306,200
Contributions as a Percentage of Covered Payroll	13.17 %	12.82 %	12.68 %	12.68 %	12.68 %	12.68 %	12.68 %	12.68 %

*The required supplemental information is intended to show information for 10 years, and additional years' information will be displayed as it becomes available.

Grand Junction Regional Airport Authority

Required Supplemental Information Schedule of the Authority's Proportionate Share of the Net OPEB Liability Health Care Trust Fund Administered by the Colorado Public Employees' Retirement Association

	Last Five Plan Years*				
	Measurement Periods Ended December 31				
	2020	2019	2018	2017	2016
Authority's proportion of the net OPEB liability	0.01795 %	0.01851 %	0.01714 %	0.01776 %	0.01727 %
Authority's proportionate share of the net OPEB liability	\$ 170,587	\$ 208,079	\$ 233,195	\$ 230,836	\$ 223,970
Authority's covered payroll	\$1,674,993	\$1,683,336	\$1,449,631	\$1,442,006	\$ 1,363,996
Authority's proportionate share of the net OPEB liability as a percentage of its covered payroll	10.18 %	12.36 %	16.09 %	16.01 %	16.42 %
Plan fiduciary net position as a percentage of total OPEB liability	32.78 %	24.49 %	17.03 %	17.53 %	16.72 %

*The required supplemental information is intended to show information for 10 years, and additional years' information will be displayed as it becomes available.

Grand Junction Regional Airport Authority

Required Supplemental Information Schedule of OPEB Contributions Health Care Trust Fund

Administered by the Colorado Public Employees' Retirement Association

Last Five Fiscal Years* Years Ended December 31

	2021	2020	2019	2018	2017
Contractually required contribution	\$ 16,647	\$ 17,276	\$ 16,978	\$ 14,786	\$ 14,708
Contributions in relation to the contractually required contribution	16,647	17,276	16,978	14,786	14,708
Contribution Deficiency	\$ -	\$ -	\$ -	\$ -	\$ -
Authority's Covered Payroll	\$ 1,601,532	\$ 1,674,993	\$ 1,683,336	\$ 1,449,631	\$ 1,442,006
Contributions as a Percentage of Covered Payroll	1.04 %	1.03 %	1.01 %	1.02 %	1.02 %

*The required supplemental information is intended to show information for 10 years, and additional years' information will be displayed as it becomes available.

Pension Information

Benefit Changes

There were no changes of benefit terms in 2021 and 2020.

Changes in Assumptions

There were no changes of benefit assumptions in 2020.

During 2021, the following assumption changes were reflected in the roll forward calculation of the total pension liability from December 31, 2019, to December 31, 2020:

- Salary scale assumptions and rates of termination/withdrawal, retirement, and disability were revised to align with revised economic assumptions and to more closely reflect actual experience.
- Updates were made to the mortality tables used
- Price inflation assumption decreased from 2.40 percent per year to 2.30 percent per year.
- Real rate of investment return assumption increased from 4.85 percent per year, net of investment expenses to 4.95 percent per year, net of investment expenses.
- Wage inflation assumption decreased from 3.50 percent per year to 3.00 percent per year.

Changes in Size or Composition of the Covered Population

There were no significant changes in size or composition of the covered population in 2021 and 2020.

Other Supplemental Information

Grand Junction Regional Airport Authority

Schedule of Expenditures of Federal Awards

Year Ended December 31, 2021

Federal Agency/Pass-through Agency/Program Title	Assistance Listing Number	Grant Number	Provided to Subrecipients	Federal Expenditures
U.S. Department of Transportation, Federal Aviation Administration:				
Airport Improvement Program	20.106	Various	\$ -	\$ 19,299,323
Airport Coronavirus Relief Grant Program (ACRGP)- Airport Improvement Program	20.106	3-08-0027-070-2021	-	2,165,378
COVID-19- Airport Improvement Program	20.106	3-08-0027-071-2021	-	1,584,910
American Rescue Plan Act (ARPA)- Airport Improvement Program	20.106	3-08-0027-064-2020	-	211,722
		3-08-0027-073-2022	-	
Total U.S. Department of Transportation, Federal Aviation Administration			-	23,261,333
Total			\$ -	\$ 23,261,333

See notes to schedule of expenditures of federal awards.

Notes to Schedule of Expenditures of Federal Awards

Year Ended December 31, 2021

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Grand Junction Regional Airport Authority (the "Entity") under programs of the federal government for the year ended December 31, 2021. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Authority.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported in the Schedule are reported on the same basis of accounting as the basic financial statements. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

The Authority has elected not to use the 10 percent de minimis indirect cost rate to recover indirect costs as allowed under the Uniform Guidance.

Schedule of Findings and Questioned Costs

Grand Junction Regional Airport Authority

Schedule of Findings and Questioned Costs

Year Ended December 31, 2021

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? ☐ Yes ☒ None reported
- Noncompliance material to financial statements noted? ☐ Yes ☒ None reported

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? ☐ Yes ☒ None reported
- Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a)? ☐ Yes ☒ No

Identification of major programs:

Assistance Listing Number	Name of Federal Program or Cluster	Opinion
20.106	Airport Improvement Program	Unmodified

Dollar threshold used to distinguish between type A and type B programs:

\$750,000

Auditee qualified as low-risk auditee?

☒ Yes ☐ No

Section II - Financial Statement Audit Findings

Current Year None

Section III - Federal Program Audit Findings

Current Year None

Notes to Schedule of Passenger Facility Charges

Year Ended December 31, 2021

Note 1 - Change in Accounting Principle

On December 31, 2021, the Authority elected to change its method of accounting to the cash basis, whereas in all prior years method of accounting was on the accrual basis. The cash basis of accounting was adopted because the Authority believes the cash basis more closely aligns with PFC regulation 158.63, reporting actual revenue received and disbursed. Cumulative totals reported in the accompanying schedule of passenger facility charges as of December 31, 2020 are reported on the cash basis of accounting. Comparative financial statements of prior years will reflect the method of accounting on the accrual basis of accounting as the change in method was made during 2021.

Note 2 - Basis of Presentation

The accompanying schedule of passenger facility charges includes agreements entered into directly between Grand Junction Regional Airport Authority (the "Authority") and the Federal Aviation Administration (FAA). The information in this schedule is prepared on the cash basis of accounting and is presented in accordance with the provisions of the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the FAA in September 2000.

Note 3 - Passenger Facility Charges

Revenue consists of passenger facility fees and investment earnings on restricted cash related to passenger facility charges. Expenditures represent principal, which is payments made by the Authority on the revenue bonds that were used to finance the construction of certain airport improvements. Unliquidated passenger facility charges represent the net restricted cash as of year end.

Schedule of Passenger Facility Charge Collections and Expenditures

For the Year Ended December 31, 2021

Collections	Date Approved	Amount Approved for Use	Cumulative Total- December 31, 2020	Quarter 1- January- March	Quarter 2 April- June	Quarter 3 July- September	Quarter 4 October- December	Year Ended December 31, 2021	Cumulative Total- December 31, 2021
Passenger facility charge collections			12,568,008	92,801	247,427	308,626	303,123	951,978	13,519,986
Interest earned			227,505	623	157	282	173	1,235	228,739
	Total passenger facility charge collections received		12,795,513	93,424	247,584	308,909	303,296	953,213	13,748,725
Application 2006-07-C	March 22, 2006	15,857,760	11,427,932	-	-	-	765,000	765,000	12,192,932
Application 2018-08-C	February 1, 2018	11,530,025	1,616,341	-	-	-	-	-	1,616,341
	Total passenger facility charge collections expended	27,387,785	13,044,272	-	-	-	765,000	765,000	13,809,272

See accompanying notes to schedule of expenditures of passenger facility charges

Grand Junction Regional Airport Authority

Agenda Item Summary

TOPIC:	GJRAA Employee Health Insurance		
PURPOSE:	Information <input type="checkbox"/>	Guidance <input type="checkbox"/>	Decision <input checked="" type="checkbox"/>
RECOMMENDATION:	Approve the proposed health insurance plan and cost sharing as outlined in the Agenda Item Summary for the plan year of September 1, 2022 through August 31, 2023 and authorize the Executive Director to sign all plan documents and approve invoices.		
SUMMARY:	<p>Staff worked with HUB to identify and recommend employee health insurance plans for the plan year from 9/1/2022 – 8/31/2023. Rates for the existing plans increased by more than 14% with no change in benefits. Staff recommends offering a single United HealthCare HDHP with the same network as existing plans but with higher deductible amounts. The new plan has premiums only 4% higher than the plans currently offered. Staff recommends the following benefits to offset the higher deductible and reallocate investment in employee health care away from insurance premiums and towards more tangible benefits for employees. This fits within the approved 2022 budget and anticipate that it will result in a modest increase in the 2023 budget.</p> <ul style="list-style-type: none">• United Healthcare High Deductible Health Plan (HDHP) at an estimated annual cost of up to \$305,000 to the GJRAA• Health Reimbursement Arrangement (HRA) to reimburse the last \$2,250 (individual) and \$4,500 (family) of deductibles incurred for employees• One-time funding of \$250 (individual) and \$500 (family coverage) to an HSA or FSA account on behalf of current employees• On-going airport-funded HSA contributions of \$25/month• Continue offering of an Appleton Clinic Membership or additional HSA contribution (\$99/month paid by GJRAA) <p>For the past 5 years we offered two types of plans, a more traditional PPO plan and a HDHP. The benefits offered and deductible amounts have become very similar, and staff believes that offering the Appleton Clinic Membership and HDHP with an HSA account will provide the best combined coverage and value to employees and the Airport. The proposed cost sharing between GJRAA and employees remains unchanged and was benchmarked to the 2021 Colorado Governments and Colorado Small Employers (less than 50) compiled by the Employer's Council.</p>		
REVIEWED BY:	Executive Director, Finance Director, and Executive Committee		
FISCAL IMPACT:	Estimated 2022 calendar year cost of \$335,000 (budget \$335,000)		
ATTACHMENTS:	Summary information on plans, costs, and benchmarks		
STAFF CONTACT:	Sarah Menge 970-248-8581, smenge@gjairport.com		

Employee Benefit Renewal - Objectives

We have established and continue to keep the following objectives in mind when considering employee health insurance renewals:

- ➔ Manage the overall cost to GJRAA and employees and optimize the healthcare investment for employees
- ➔ Maintain/improve the quality of coverage and access to healthcare for our Employees
- ➔ Minimize the disruption in the covered network of providers since our existing plans are expiring
- ➔ Stay competitive with other employers based on benchmarks

Proposed Renewal Plan

- Discontinue offering 2 different health insurance plans; offer 1 HDHP with an HSA in addition to Appleton Clinics
- Select a United Plan that is a HDHP compatible with an HSA with higher annual deductible and out-of-pocket costs to minimize the change in monthly premiums
- Keep the same employee paid portion as prior year
- Increase the Health Reimbursement Arrangement (Deductible Reimbursement Program) by 50% to off-set the higher deductible amounts
- Fund \$500 (family) and \$250 (individual) to start employee HSA accounts
- Begin contributing a monthly \$25 HSA contribution to all employees

Total GJRAA Cost Comparison of Proposed Renewal

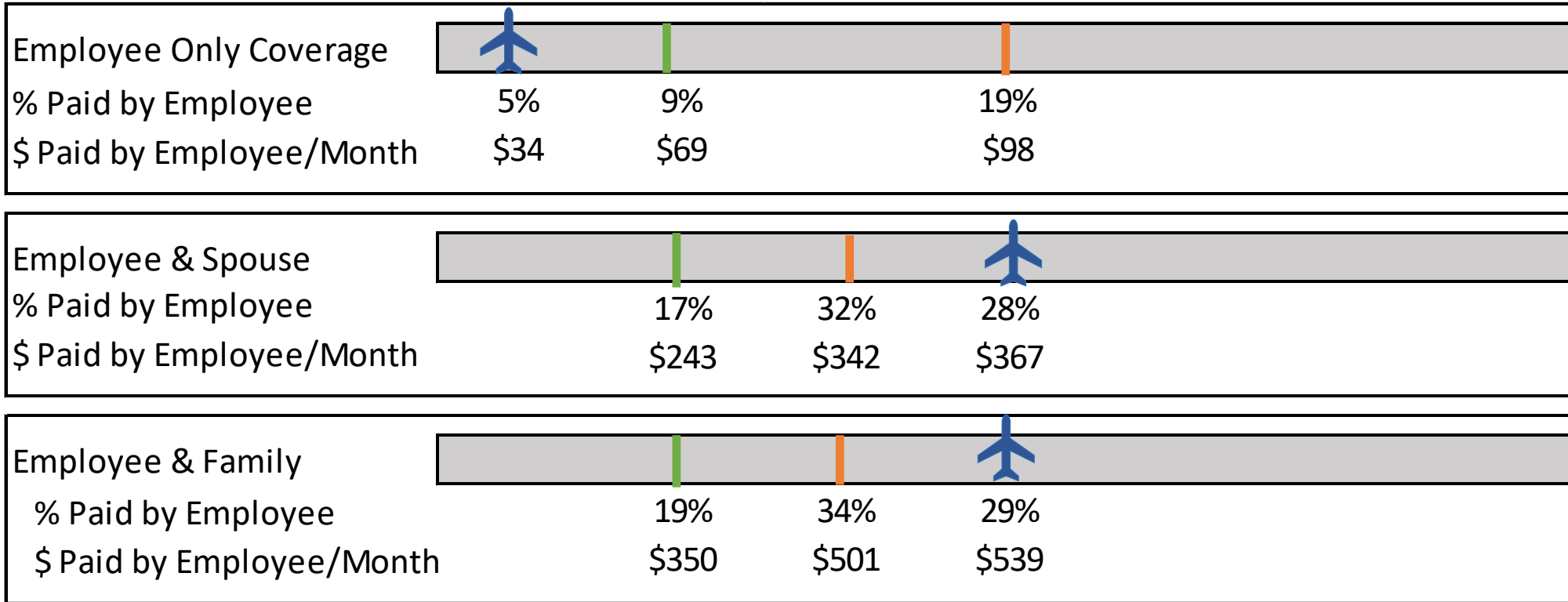
The estimated total cost to GJRAA for the plan year excluding any deductible reimbursements is about 6.7% (based on current enrollment).

Annual Cost of Coverage	Expiring Plans	Proposed Renewal	\$ Change	% Change
Health Insurance Premiums	\$ 256,300	\$ 265,900	\$ 9,600	3.7%
Appleton Clinic	\$ 32,100	\$ 34,500	\$ 2,400	7.5%
Employer HSA Contribution	\$ 1,200	\$ 8,700	\$ 7,500	625.0%
Deductible Reimbursements*	\$ 17,100	\$ 25,700	\$ 8,600	50.3%
<i>Total Cost</i>	\$ 306,700	\$ 334,800	\$ 28,100	9.2%
2022 Budget	\$ 335,000			

While total costs are increasing \$28,000, only \$9,600 is going towards premiums and the rest is going into health savings accounts, or other employee investments.

* The deductible reimbursement expense assumes a 30% utilization of benefits; however, actual utilization from 2019-2021 has been less than 5%

Benchmark to 2021 CO Employers – Employee Paid Portion of Monthly Premiums



Data Source: Employers Council 2021 Health, Welfare & Retirement Plan Survey

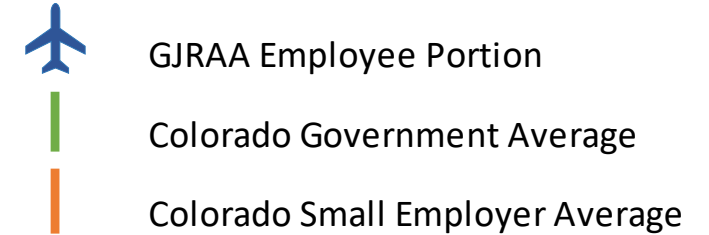
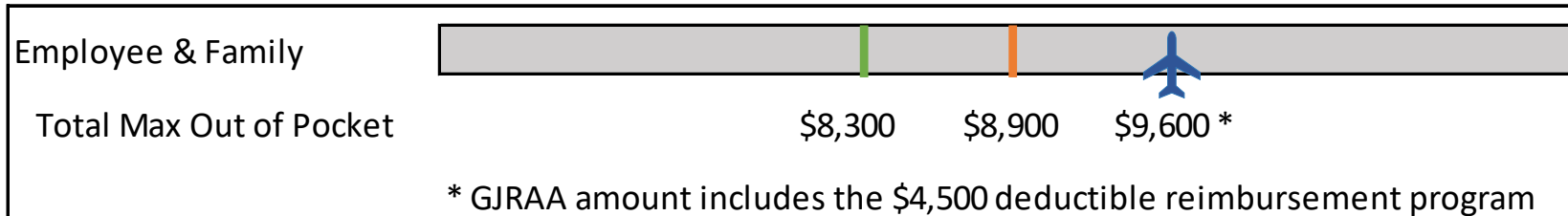
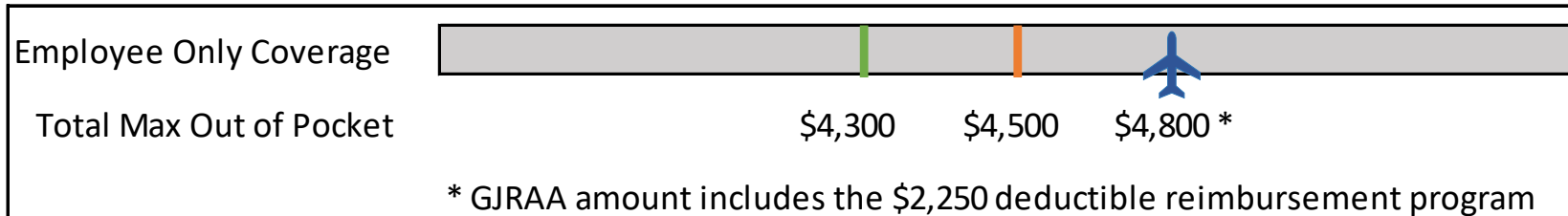
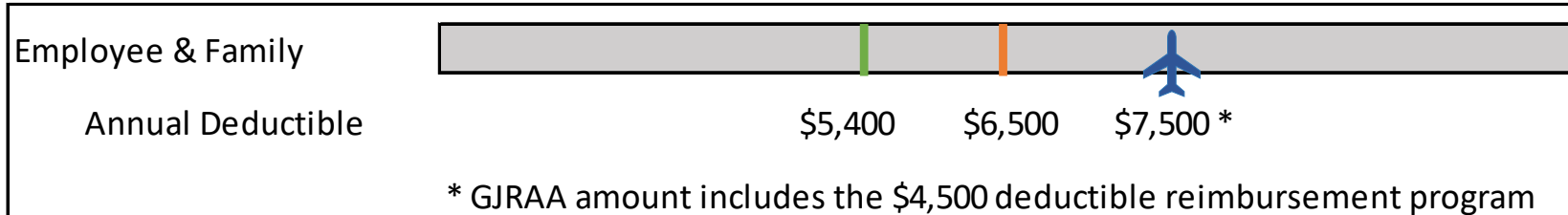
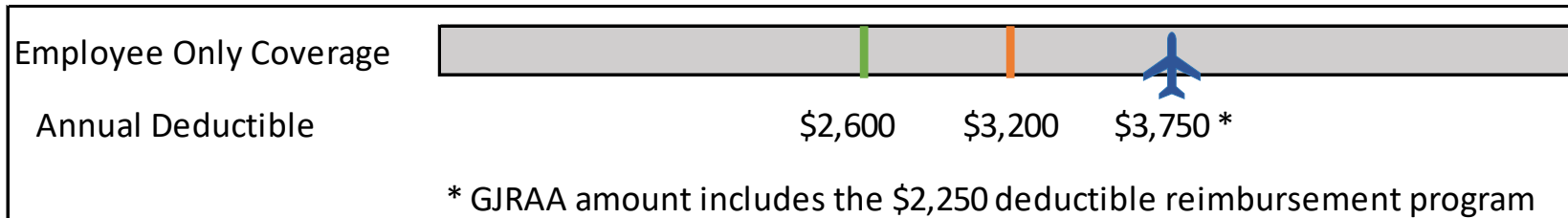


GJRAA Employee Portion

Colorado Government Average

Colorado Small Employer Average

2021 - Benchmark CO Employers – Annual Deductible & Out-of-Pocket Costs



Data Source: Employers Council 2021 Health, Welfare & Retirement Plan Survey

Historical Budget to Actual Comparison

	Total Health Insurance		Difference	HRA (Deductible Reimbursement Program) *	
	Budget	Actual		Budget	Actual
2017	245,088	208,858	(36,230)		
2018	287,464	254,539	(32,925)		
2019	306,513	253,517	(52,996)	12,000	-
2020	322,085	272,585	(49,500)	12,000	4,000
2021	320,000	270,692	(49,308)	16,000	2,500
2022	335,000	335,000	-	25,000	TBD
2023			-		
				65,000	6,500

* The deductible reimbursement expense has been budgeted at a 30% utilization of benefits; however, actual utilization from 2019-2021 has been less than 5%. Future budgets may consider a lower utilization rate more consistent with historical rates.

Grand Junction Regional Airport Authority
Agenda Item Summary

TOPIC:	Garver Work Order No. 19 for C1A and General Aviation Rehabilitation Design		
PURPOSE:	Information <input type="checkbox"/>	Guidance <input type="checkbox"/>	Decision <input checked="" type="checkbox"/>
RECOMMENDATION:	Authorize the Executive Director to accept the Garver Work Order No. 19 in the amount of \$98,600 to fund the design of Taxiway C1A and General Aviation repairs and rehabilitation consistent with the Garver Drainage study completed in 2021 and to sign all contracts and change orders in accordance with delegated authority in the purchasing and procurement policy.		
SUMMARY:	<p>In 2021, Garver completed a drainage study and analysis of the developed general aviation areas around C1A. This study identified areas in need of repairs and included both GJRAA and tenant leased property. This work order represents design services, bidding services, and tenant coordination for all areas identified in the drainage study that need repairs. We do not intend to seek recovery from tenants for the design work or coordination for work on individual leaseholds.</p> <p>We will bid out this work as one package with 4/22 construction and the public parking lot paving project. We expect that bidding the work together will promote competitive bids and simplify construction coordination by working with one contractor. Garver plans to bid out all the repair work in Q4 2022 and construction is expected to begin in Q2 2023.</p> <p>After receiving bids from the contractor, Garver will segment the costs between GJRAA and tenant leaseholds. The individual designs and estimated costs for each leasehold will be shared with tenants so they can decide on whether to participate in the larger project and pay their portion of the repairs. Any tenant that does not wish to participate in the project, but that has identified areas in need of repair will be asked to submit an alternative pavement rehabilitation plan.</p> <p>The additional cost to design tenant leasehold improvements is minimal in this scope and GJRAA staff believe that having designs for private leaseholds and obtaining actual construction bids will increase the likelihood of getting all repairs completed in a timely manner.</p> <p>This work order will be funded by the GJRAA project budget.</p>		
REVIEWED BY:	Executive Director and Legal Counsel		
FISCAL IMPACT:	Total Cost - \$98,600 to be funded by GJRAA		
ATTACHMENTS:	Garver Work Order No. 19		
STAFF CONTACT:	Sarah Menge smenge@gjairport.com Office: 970-248-8581		



WORK ORDER NO. 19
Grand Junction Regional Airport Authority
Grand Junction, Colorado
Project No. 21A25301

This WORK ORDER ("Work Order") is made by and between the **Grand Junction Regional Airport Authority of Grand Junction, Colorado** (hereinafter referred to as "**Owner**") and **Garver, LLC**, (hereinafter referred to as "**Garver**" or "**Engineer**") in accordance with the provisions of the MASTER AGREEMENT FOR PROFESSIONAL SERVICES executed on May 17, 2017 (the "Agreement").

Under this Work Order, the Owner intends to complete design and bidding for improvements for the **Taxilane C1A Rehabilitation**.

Garver will provide professional services related to these improvements as described herein. Terms not defined herein shall have the meaning assigned to them in the Agreement.

SECTION 1 – SCOPE OF SERVICES

1.1 Garver shall provide the following Services:

1.1.1 The scope of engineering services is described in Appendix A.

1.2 In addition to those obligations set forth in the Agreement, Owner shall:

1.2.1 Give thorough consideration to all documents and other information presented by Garver and informing Garver of all decisions within a reasonable time so as not to delay the Services.

1.2.2 Make provision for the Personnel of Garver to enter public and private lands as required for Garver to perform necessary preliminary surveys and other investigations required under the applicable Work Order.

1.2.3 Obtain the necessary lands, easements and right-of-way for the construction of the work. All costs associated with securing the necessary land interests, including property acquisition and/or easement document preparation, surveys, appraisals, and abstract work, shall be borne by the Owner outside of this Agreement, except as otherwise described in the Services under Section 1.1.

1.2.4 Furnish Garver such plans and records of construction and operation of existing facilities, available aerial photography, reports, surveys, or copies of the same, related to or bearing on the proposed work as may be in the possession of Owner. Such documents or data will be returned upon completion of the Services or at the request of Owner.

1.2.5 Furnish Garver a current boundary survey with easements of record plotted for the project property.

1.2.6 Pay all plan review and advertising costs in connection with the project.

1.2.7 Provide legal, accounting, and insurance counseling services necessary for the project and such auditing services as Owner may require.

1.2.8 Furnish permits, permit fees, and approvals from all governmental authorities having jurisdiction over the project and others as may be necessary for completion of the project.

1.2.9 Furnishing Garver a current geotechnical report for the proposed site of construction. Garver will coordinate with the geotechnical consultant, Owner has contracted with, on Owner's behalf for the project specific requested information.



SECTION 2 – PAYMENT

For the Services set forth above, Owner will pay Garver on a lump sum basis. The Owner represents that funding sources are in place with the available funds necessary to pay GARVER.

The table below presents a summary of the fee amounts and fee types for this Work Order.

WORK DESCRIPTION	FEE AMOUNT	FEE TYPE
Project Management/Tenant Coordination	\$39,300.00	LUMP SUM
Final Design	\$56,400.00	LUMP SUM
Bidding Services	\$2,900.00	LUMP SUM
TOTAL FEE	\$98,600.00	LUMP SUM

The lump sum amount to be paid under this Work Order is \$98,600.00. For informational purposes, a breakdown of Garver's estimated costs is included herein with approximate current hourly rates for each employee classification.

As directed by the Owner, some billable Services may have been performed by Garver prior to execution of this Work Order. Payment for these Services will be made in accordance with the fee arrangement established herein, as approved by the Owner.

Additional Services (Extra Work). For services not described or included in Section 1 – Scope of Services, but requested by the Owner in writing, the Owner will pay Garver as expressly set forth in the applicable Amendment, or in the event the Amendment is silent, for the additional time spent on the Project, at the rates shown in this Appendix B for each classification of Garver's personnel (may include contract staff classified at Garver's discretion) plus reimbursable expenses including but not limited to printing, courier service, reproduction, and travel. The rates shown in Appendix B will be increased annually with the first increase effective on or about July, 2023.

SECTION 3 – APPENDICES

3.1 The following Appendices are attached to and made a part of this Work Order:

- 3.1.1 Appendix A – Scope of Services
- 3.1.2 Appendix B – Fee Summary

This Work Order may be executed in two (2) or more counterparts each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.



Approval and acceptance of this Work Order, including attachments listed in SECTION 3 – APPENDICIES AND EXHIBITS, shall incorporate this document as part of the Agreement. GARVER is authorized to begin performance upon receipt of a copy of this Work Order signed by the Owner. The effective date of this Work Order shall be the last date written below.

GRAND JUNCTION REGIONAL
AIRPORT AUTHORITY

GARVER, LLC

By: _____
Signature

By: Colin Bible
Signature

Name: _____
Printed Name

Name: Colin Bible
Printed Name

Title: _____

Title: Senior Project Manager

Date: _____

Date: 7/14/2022



APPENDIX A (EXHIBIT 1)

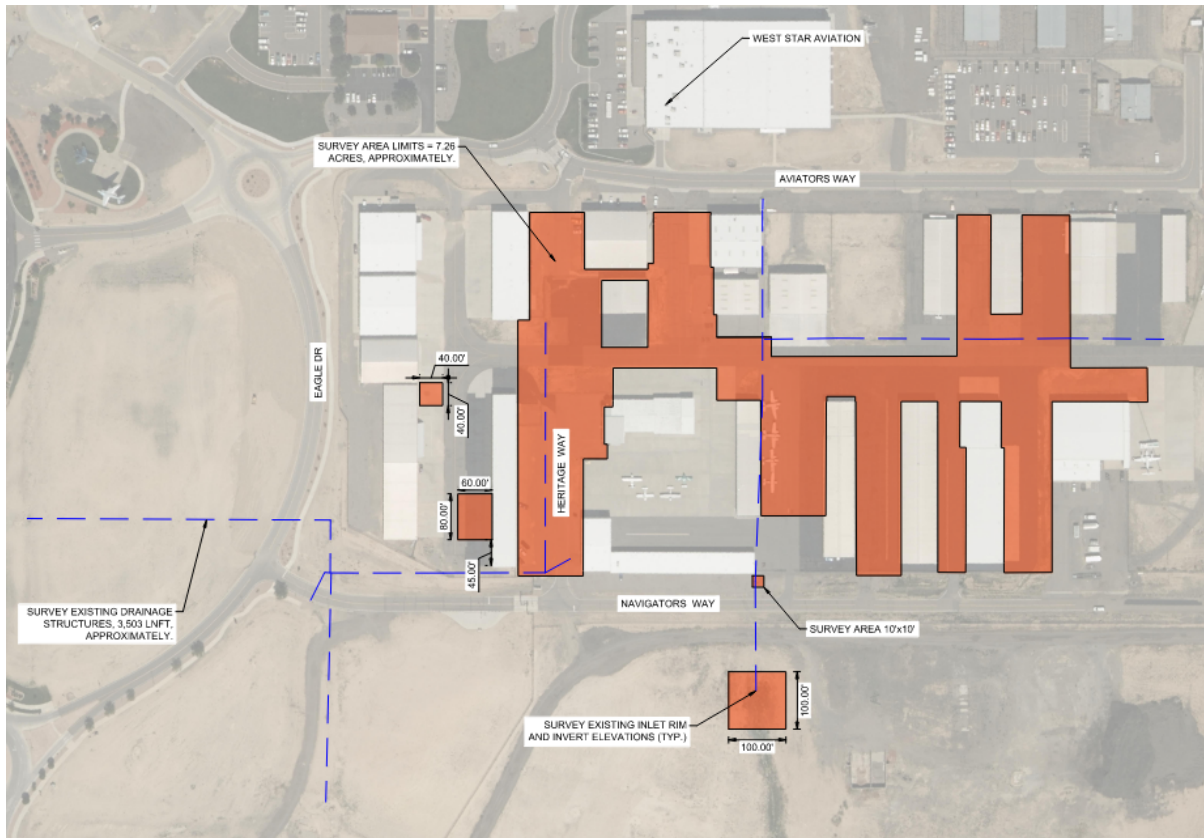




EXHIBIT A (SCOPE OF SERVICES)

Generally, the Scope of Services includes the following professional services for improvements to the Taxilane C1A and GA Hangar Area at Grand Junction Regional Airport. Improvements will consist primarily of asphalt pavement rehabilitation and drainage improvements based on Garver's General Aviation Drainage Condition Report dated March 1, 2021, as displayed on Exhibit 1.

- Project Management/Tenant Coordination
- Design Services
 - Final Design Plans
- Bidding Services

1. PROJECT MANAGEMENT / TENANT COORDINATION

- 1.1. Garver will serve as the Owner's representative for the project and furnish consultation and advice to the Owner during the performance of this service. Garver will attend conferences and tenant meetings alone or with Owner's representatives, local officials, state and federal agencies, and others regarding the scope of the proposed project, its general design, functions, and impacts. After receiving bids, Garver will segment construction costs and estimate repairs for individual leaseholds for coordination with individual tenants to complete necessary repairs.

2. GEOTECHNICAL SERVICES

- 2.1. Not Applicable

3. DRAINAGE STUDY

- 3.1. Not Applicable.

4. DESIGN SERVICES

- 4.1. General: Garver will prepare construction drawings and specifications for each rehabilitation based on recommendations provided in our General Aviation Drainage Condition Report provided to the airport on March 1, 2021. These designs shall conform to the standards of practice ordinarily used by members of Garver's profession practicing under similar conditions.
- 4.2. Owner / Agency Coordination: Garver's project manager and/or design team will coordinate with the Owner as necessary to coordinate design decisions, site visits, document procurement, or other design needs.
- 4.3. Quality Control
 - 4.3.1. Garver will develop a project specific quality control plan. The quality control plan will include the project background and scope, stakeholder contact information, project team and roles, design criteria, project schedule, and quality control procedures.
 - 4.3.2. Garver will complete a quality control review prior to the design submission to Owner. QC reviews will be completed by a senior construction observer and project manager. Bi-weekly internal progress meetings will be held during all design phases to ensure adequate quality control throughout the design phases.



4.4. Environmental Coordination

4.4.1. Not Applicable.

4.5. Airspace Analysis: Not Applicable.

4.6. DBE Coordination: Not Applicable.

4.7. Construction Safety and Phasing Plan

4.7.1. Garver will develop a barricade layout and or phasing plan for each rehabilitation area as described in Section 5.1.

4.8. Existing Conditions Review

4.8.1. Record Document Review: Garver will review record document data from the vicinity of the construction site to evaluate existing conditions. Record document data may include record drawings, record surveys, utility maps, GIS data, and previous design reports.

4.8.2. Site Visits: Not Applicable.

4.9. Pavement Design: Garver will develop a pavement section that meets the minimum depths of asphalt and aggregate base course for the classification of aircraft that operate in the GA Area, as shown below:

- Airplane Design Group (ADG) – II
- Aircraft Approach Category (AAC) – B
- Taxiway Design Group (TDG) – 2
- Critical Aircraft – Cessna Citation 550

4.10. Geometric Design: Garver will not provide new geometric design as each major rehabilitation area will include asphalt removal and replacement within existing pavement limits.

4.11. Modeling: Garver will develop preliminary vertical alignments based on the requirements of FAA AC 150/5300-13 (latest edition). Upon the completion of vertical alignments, assemblies will be developed based on the pavement design and corridors will be modeled for each taxilane alignment. Modeling will include all surface changes from centerline of corridor to tie into existing grade for the project site. At the completion of individual corridor developments, all corridors will be combined into a final grading surface. Modeling will be an iterative process to determine the most efficient design solution.

4.12. Grading and Drainage: Grading and drainage design shall be completed in accordance with FAA AC 150/5300-13 (Airport Design), FAA AC 150-5320-5 (Airport Drainage Design), and applicable local drainage codes.

4.13. Airfield Electrical

Not Applicable.



- 4.14. Utility Design and Coordination: Garver will furnish plans to all known utility owners potentially affected by the project. Garver will include the surveyed locations of the observable and marked utilities in the construction plans. Garver will also include proposed and/or relocated utility information in the construction plans as provided by the utility companies.

4.15. Plan Set Development

The following Exhibit B details the plan drawings and specifications to be included in the design submittal.

4.16. Specifications and Contract Documents

- 4.16.1. Technical Specifications: Detailed specifications shall be developed using FAA "Standards for Specifying Construction for Airports" AC 150/5370-10 (latest edition) or other appropriate standards approved for use by the FAA. Additional supplementary specifications will be developed for project requirements not covered by FAA AC150/5370-10 or when state or local standards are approved by the FAA.
- 4.16.2. Construction Contract Documents: Garver will include Taxilane C1A plans and specifications in the contract docs for the Runway 4-22 Rehabilitation Construction Contract Documents.
- 4.17. Engineer's Report: Not Applicable.
- 4.18. Quantities and Engineer's Opinion of Probable Cost: Garver will develop detailed quantities in PDF format for use in construction cost estimating for each design phase. Quantities will be completed by pay item. Upon the completion of quantity development, Garver will review previous cost data and market conditions and complete an Engineer's Opinion of Probable Cost.
- 4.19. Design Services Submission and Meeting Summary: The following design submittal phases shall be included in the fee summary. A summary of each design phase and the associated review meetings is included below.
- 4.19.1. Final Design
- 4.19.1.1. Garver will develop final design plans and specifications, and submit these to the Owner for review. It is anticipated that the Owner will review the design submission within two weeks.
- 4.19.1.2. At the completion of the Owner review period, Garver will meet with the Owner to review the final design plans specifications, and to receive Owner comments and direction.

5. BIDDING SERVICES

- 5.1. Bidding. Garver will assist the Owner in advertising for and obtaining bids or negotiating proposals for one prime contract for construction, materials, equipment and services; and, where applicable, maintain a record of prospective bidders to whom Bidding Documents have been issued. The Owner will pay advertising costs outside of this contract.



5.2. Garver will issue addenda as appropriate to interpret, clarify or expand the Bidding Documents. Garver will consult with and advise the Owner as to the acceptability of subcontractors, suppliers and other persons and organizations proposed by the prime contractor(s) (herein called "Contractor(s)") for those portions of the work as to which such acceptability is required by the Bidding Documents. Garver will consult with the Owner concerning the acceptability of substitute materials and equipment proposed by Contractor(s) when substitution prior to the award of contracts is allowed by the Bidding Documents.

5.3. Garver will prepare a bid tabulation, and assist the Owner in evaluating bids or proposals and in assembling and awarding contracts for construction, materials, equipment, and services. Garver will assist the Owner in the execution of all contract documents and furnish a sufficient number of executed documents for the Owner and Contractor.

6. CONSTRUCTION ADMINISTRATION SERVICES

Not Applicable.

7. ON-SITE RESIDENT PROJECT REPRESENTATIVE SERVICES

Not Applicable.

8. MATERIALS TESTING SERVICES

Not Applicable.

9. PROJECT CLOSEOUT SERVICES

Not Applicable.

10. PROJECT DELIVERABLES

10.1. The following deliverables will be submitted to the parties identified below. Unless otherwise noted below, all deliverables shall be electronic.

10.2.

- Final Design Plans, Specifications, and Report to the Owner.
- Other electronic files as requested.

11. ADDITIONAL SERVICES

11.1. The following items are not included under this agreement but will be considered as additional services to be added under Amendment if requested by the Owner.

- Redesign for the Owner's convenience or due to changed conditions after previous alternate direction and/or approval.
- Deliverables beyond those listed herein.
- Design of any utility relocation.
- Engineering, architectural, or other professional services beyond those listed herein.
- Preparation of a Storm Water Pollution Prevention Plan (SWPPP). The construction contract documents will require the Contractor to prepare, maintain, and submit a SWPPP to CDPHE.
- Construction Administration Services, On-Site Construction Observation, and/or Construction Materials Testing.



- Environmental Handling and Documentation, including wetlands identification or mitigation plans or other work related to environmentally or historically (culturally) significant items.
- Coordination with FEMA and preparation/submittal of a CLOMR and/or LOMR.

12. SCHEDULE

12.1. Garver shall begin work under this Agreement upon execution of this Agreement and shall complete the work within a mutually agreeable schedule with the Owner that corresponds with the Bidding Phase of the RW 4-22 Rehabilitation project. We will complete the work in accordance with the schedule below:

Design Phase	Calendar Days
Final Design	60 Days from Receipt of Survey Deliverables
Bidding Services	To Be Coordinated During Design



Exhibit 1

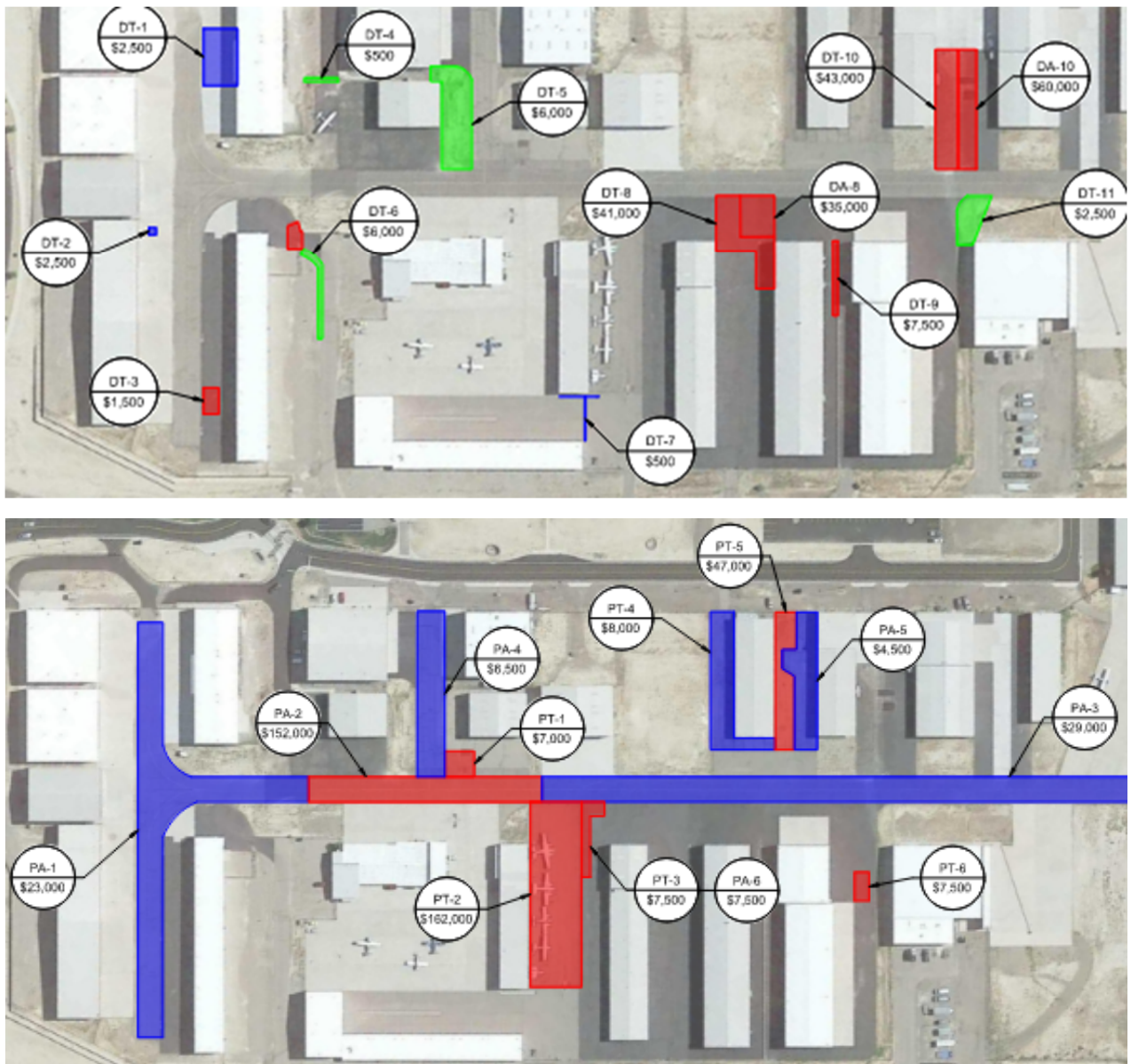




Exhibit 2

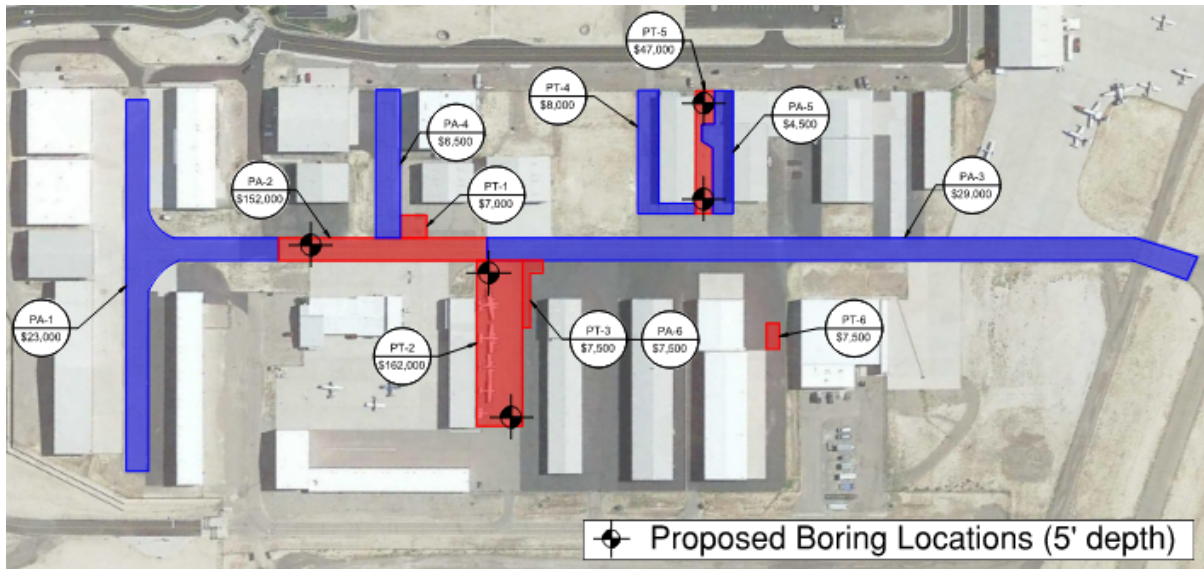


Exhibit B

Grand Junction Regional Airport Authority Taxilane C1A Rehabilitation (Design and Bidding)

FEE SUMMARY

Title I Service	Estimated Fees	
Project Management/Tenant Coordination	\$	39,300.00
Final Design	\$	56,400.00
Bidding Services	\$	2,900.00
Subtotal for Title I Service	\$	98,600.00

Exhibit B**Grand Junction Regional Airport Authority
Taxilane C1A Rehabilitation (Design and Bidding)****Project Management/Tenant Coordination**

WORK TASK DESCRIPTION	E-5	E-4	E-3	E-2	E-1	X-1
	hr	hr	hr	hr	hr	hr
1. Project Administration						
Administration and Coordination	8	8		4		
Coordination with Airport Staff	8	8				
Coordination with Utility Companies				2		
Internal Bi-weekly Progress Meetings (4)	4	4	4	4	4	
Kickoff Meeting with Design Team		1	1	1	1	
Site Visit (1 trip)		4		4		
CSPP Review Meeting (virtual)		2		2		
Submittals to Client (Final Design Submittal)		1		1	2	
Prepare for Final Design Plan Review Meeting	1	1		1		
Attend Final Design Plan Review Meeting (2 People, virtual)		1		1	1	1
Prepare and Distribute Final Design Review Meeting Minutes and Tasks				1	1	1
Prepare for and Conduct Tenant Phasing Meetings (2 people, on-site for 3 full days)	30	30			4	2
Subtotal - Project Administration	51	60	5	21	13	4

Hours	51	60	5	21	13	4
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SUBTOTAL - SALARIES:	\$36,485.00
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DIRECT NON-LABOR EXPENSES

Document Printing/Reproduction/Assembly	\$250.00
Postage/Freight/Courier	\$0.00
Office Supplies/Equipment	\$140.00
Travel Costs	\$2,425.00

SUBTOTAL - DIRECT NON-LABOR EXPENSES:	\$2,815.00
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SUBTOTAL:	\$39,300.00
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SUBCONSULTANTS FEE:	\$0.00
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TOTAL FEE:	\$39,300.00
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Exhibit B**Grand Junction Regional Airport Authority
Taxilane C1A Rehabilitation (Design and Bidding)****Final Design**

WORK TASK DESCRIPTION	E-5	E-4	E-3	E-2	E-1	X-1
	hr	hr	hr	hr	hr	hr
1. Civil Engineering						
Survey Coordination		4				
Process and Prepare Basemap		1		2	12	
Develop and Finalize Vertical Alignments					1	
Develop and Finalize Assemblies					1	
Develop and Finalize Corridor Model					2	
Final Plans						
DT-1 (1 Sheet)		1		1	4	
DT-2 (1 Sheet)		1		1	4	
DT-3 (1 Sheet)		1		2	8	
DT-4 (1 Sheet)		1		2	8	
DT-5 (1 Sheet)		1		3	8	
DT-6 (1 Sheet)		1		4	8	
DT-8/DA-8 (2 Sheets)		2		4	8	
DT-9 (1 Sheet)		1		2	4	
DT-10/DA-10 (2 Sheets)		2		4	12	
DT-11 (1 Sheet)		1		2	4	
PA-2 (2 Sheets)		2		4	8	
PT-1 (1 Sheet)		1		2	4	
PT-2 (1 Sheet)		1		3	8	
PT-3 (1 Sheet)		1		2	8	
PA-4 (1 Sheet)		1		2	8	
PT-5/PA-5 (2 Sheets)		2		4	12	
PT-6 (1 Sheet)		1		1	4	
Develop Final Technical Specifications		1	1	2	12	
Develop Final Supplemental Specifications				1	2	
Develop Final Quantities		1		2	16	
Develop Final Opinions of Probable Construction Costs		2	4	8	8	
Internal Quality Control (QC) Review	4	4	4	4	4	
Incorporate QC Review Comments			2	4	8	
Incorporate Final Owner Review Comments			1	4	16	
Subtotal - Civil Engineering	4	35	12	71	204	0

Hours	4	35	12	71	204	0
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SUBTOTAL - SALARIES:	\$54,409.00
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DIRECT NON-LABOR EXPENSES

Document Printing/Reproduction/Assembly	\$140.00
Postage/Freight/Courier	\$40.00
Office Supplies/Equipment	\$51.00
Computer Modeling/Software Use	\$160.00
Travel Costs	\$0.00

SUBTOTAL - DIRECT NON-LABOR EXPENSES:	\$391.00
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SUBTOTAL:	\$54,800.00
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SUBCONSULTANTS FEE:	\$1,600.00
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TOTAL FEE:	\$56,400.00
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Exhibit B

**Grand Junction Regional Airport Authority
Taxilane C1A Rehabilitation (Design and Bidding)**

Bidding Services

WORK TASK DESCRIPTION	E-5	E-4	E-3	E-2	E-1	X-1
	hr	hr	hr	hr	hr	hr
1. Civil Engineering						
Review and Respond to Request for Information (RFI)		1		2	2	
Draft and Distribute Addendums		1	2	4	4	
Subtotal - Civil Engineering	0	2	2	6	6	0

Hours	0	2	2	6	6	0
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SUBTOTAL - SALARIES:	\$2,816.00
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DIRECT NON-LABOR EXPENSES

Document Printing/Reproduction/Assembly	\$54.00
Postage/Freight/Courier	\$30.00
Office Supplies/Equipment	\$0.00
Travel Costs	\$0.00

SUBTOTAL - DIRECT NON-LABOR EXPENSES:	\$84.00
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SUBTOTAL:	\$2,900.00
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SUBCONSULTANTS FEE:	\$0.00
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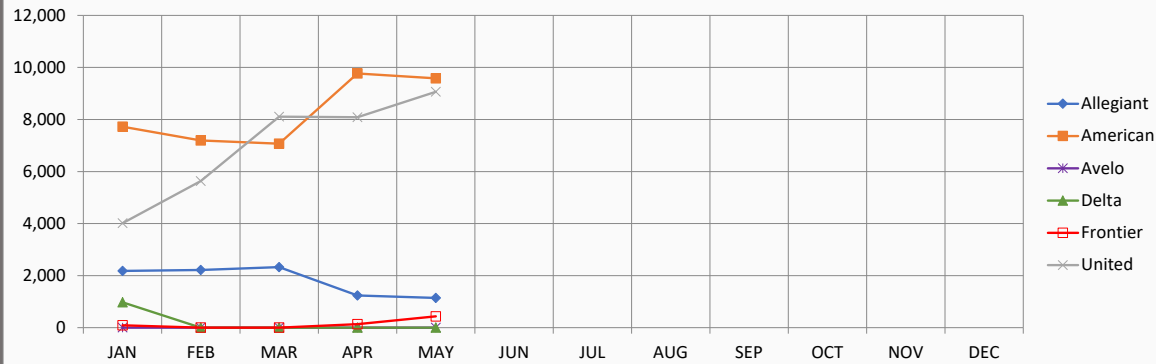
TOTAL FEE:	\$2,900.00
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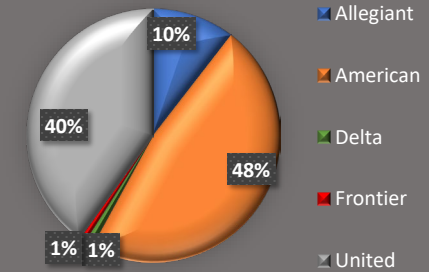
GRAND JUNCTION REGIONAL AIRPORT

May 2022
DATA & STATISTICS

Passenger Enplanements (Rev & Non-Rev only)



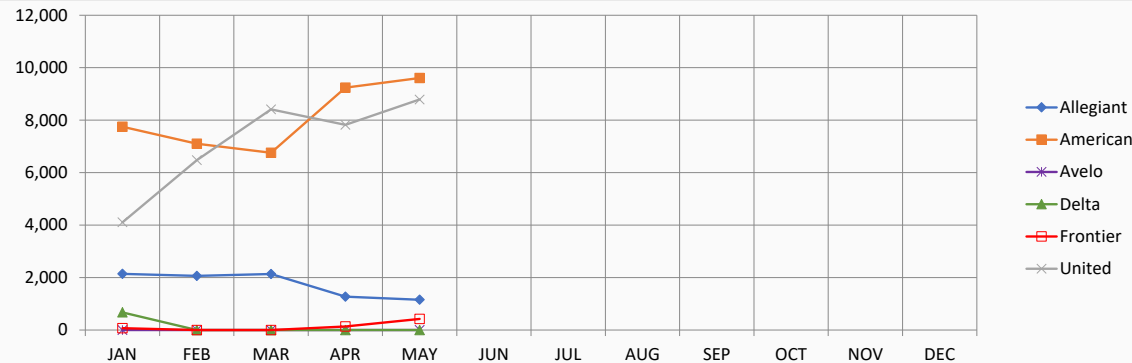
2022 Market Share



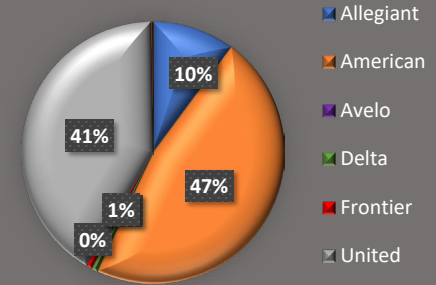
2022	Allegiant (SNA, AZA, LAS)	American (DFW, PHX, LAX)	Avelo (BUR)	Delta (SLC)	Frontier (DEN)	United (DEN)	Denver Air Charters	Charters	Total	Annual Inc/Dec
JAN	2,180	7,725	0	975	88	4,013	0	0	14,981	↑ 47.9%
FEB	2,220	7,197	0	0	0	5,632	0	0	15,049	↑ 31.6%
MAR	2,327	7,070	0	0	0	8,108	0	0	17,505	↑ 9.5%
APR	1,240	9,768	0	0	131	8,083	0	0	19,222	↑ 1.1%
MAY	1,142	9,582	0	0	435	9,064	0	94	20,317	↓ -4.9%
JUN									0	
JUL									0	
AUG									0	
SEP									0	
OCT									0	
NOV									0	
DEC									0	
TOTAL	9,109	41,342	-	975	654	34,900	-	94	87,074	
Market Share	10.46%	47.48%	0.00%	1.12%	0.75%	40.08%	0.00%	0.11%	100.00%	

2021	Allegiant (SNA, AZA, LAS)	American (DFW, PHX, LAX)	Avelo (BUR)	Delta (SLC)	Frontier (DEN)	United (DEN)	Denver Air Charters	Charters	Total
JAN	939	4,854	0	1,603	0	2,731	0	0	10,127
FEB	1,194	5,135	0	1,681	0	3,275	0	150	11,435
MAR	1,880	7,492	0	2,486	0	4,134	0	0	15,992
APR	1,675	9,768	0	2,846	0	4,718	0	0	19,007
MAY	1,530	9,766	800	3,962	0	5,262	50	0	21,370
JUN	1,449	10,720	1,414	4,664	564	7,187	0	0	25,998
JUL	1,518	11,314	1,652	4,952	420	7,950	0	0	27,806
AUG	1,380	10,313	640	4,540	1,900	9,544	0	0	28,317
SEP	1,570	10,203	0	4,512	1,107	10,004	0	0	27,396
OCT	2,597	12,947	0	4,084	1,040	7,785	0	0	28,453
NOV	2,980	8,962	0	3,821	746	6,273	0	0	22,782
DEC	1,653	8,500	0	3,445	581	6,331	0	0	20,510
TOTAL	20,365	109,974	4,506	42,596	6,358	75,194	50	150	259,193
Market Share	7.86%	42.43%	1.74%	16.43%	2.45%	29.01%	0.02%	0.06%	100.00%

Passenger Deplanements



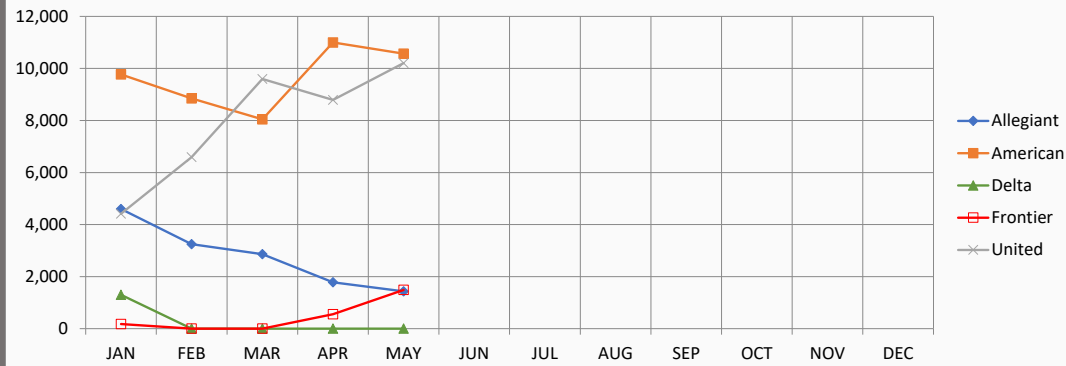
2022 Market Share



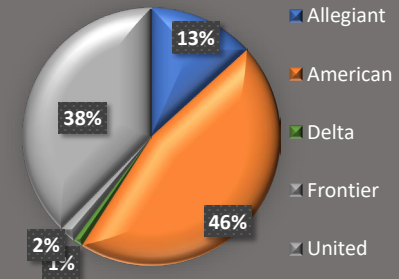
2022	Allegiant (SNA, AZA, LAS)	American (DFW, PHX, LAX)	Avelo (BUR)	Delta (SLC)	Frontier (DEN)	United (DEN)	Denver Air Charters	Charters	Total	Annual Inc/Dec
JAN	2,141	7,747	0	672	69	4,105	0	0	14,734	↑ 45.6%
FEB	2,066	7,099	0	0	0	6,473	0	181	15,819	↑ 16.1%
MAR	2,135	6,758	0	0	0	8,414	0	0	17,307	↑ 0.9%
APR	1,270	9,243	0	0	133	7,823	0	0	18,469	↑ 1.3%
MAY	1,154	9,608	0	0	423	8,790	0	67	20,042	↓ -5.2%
JUN									0	
JUL									0	
AUG									0	
SEP									0	
OCT									0	
NOV									0	
DEC									0	
TOTAL	8,766	40,455	-	672	625	35,605	-	248	86,371	
Market Share	10.15%	46.84%	0.00%	0.78%	0.72%	41.22%	0.00%	0.29%	100.00%	

2021	Allegiant (SNA, AZA, LAS)	American (DFW, PHX, LAX)	Avelo (BUR)	Delta (SLC)	Frontier (DEN)	United (DEN)	Denver Air Charters	Charters	Total
JAN	1,025	4,890	0	1,656	0	2,551	0	0	10,122
FEB	1,076	5,971	0	1,707	0	4,726	0	150	13,630
MAR	1,826	7,840	0	2,632	0	4,857	0	0	17,155
APR	1,552	9,269	0	2,764	0	4,653	0	0	18,238
MAY	1,571	9,492	804	3,838	0	5,385	50	0	21,140
JUN	1,541	10,740	1,473	4,465	581	6,728	0	0	25,528
JUL	1,285	11,146	1,565	4,876	399	7,573	0	50	26,894
AUG	1,447	9,703	674	4,484	1,861	9,481	0	0	27,650
SEP	1,469	10,381	0	4,553	1,163	10,240	0	61	27,867
OCT	2,233	11,961	0	3,910	1,180	7,589	0	0	26,873
NOV	3,090	8,236	0	3,835	648	6,433	0	0	22,242
DEC	1,598	8,811	0	3,674	676	6,880	0	0	21,639
TOTAL	19,713	108,440	4,516	42,394	6,508	77,096	50	261	258,978
Market Share	7.61%	41.87%	1.74%	16.37%	2.51%	29.77%	0.02%	0.10%	100.00%

Capacity



2022 Market Share



2022	Allegiant (SNA, AZA, LAS)	American (DFW, PHX, LAX)	Avelo (BUR)	Delta (SLC)	Frontier (DEN)	United (DEN)	Denver Air	Charters	Total	Annual Inc/Dec
JAN	4,599	9,766	0	1,300	180	4,416	0	0	20,261	↓ -17.8%
FEB	3,246	8,848	0	0	0	6,592	0	0	18,686	↓ -20.4%
MAR	2,862	8,044	0	0	0	9,598	0	0	20,504	↓ -17.1%
APR	1,779	10,999	0	0	558	8,790	0	0	22,126	↓ -13.2%
MAY	1,434	10,571	0	0	1,488	10,206	0	186	23,885	↓ -9.2%
JUN									0	
JUL									0	
AUG									0	
SEP									0	
OCT									0	
NOV									0	
DEC									0	
TOTAL	13,920	48,228	-	1,300	2,226	39,602	-	186	105,462	
Market Share	13.20%	45.73%	0.00%	1.23%	0	37.55%	0.00%	0.18%	100.00%	

2021	Allegiant (SNA, AZA, LAS)	American (DFW, PHX, LAX)	Avelo (BUR)	Delta (SLC)	Frontier (DEN)	United (DEN)	Denver Air	Charters	Total
JAN	2,910	10,873		4,470		6,400	0	0	24,653
FEB	3,270	10,243		3,920		5,860	0	175	23,468
MAR	4,476	10,173		4,510		5,560	0	0	24,719
APR	3,552	12,522		4,326		5,100	0	0	25,500
MAY	2,808	10,796	2,457	4,400		5,808	50	0	26,319
JUN	2,496	13,689	3,213	5,860	1,836	9,490	0	0	36,584
JUL	2,244	14,461	3,212	6,191	1,098	8,998	0	0	36,204
AUG	2,496	11,365	1,659	6,291	2,178	11,366	0	0	35,355
SEP	2,496	12,625		5,515	1,656	11,210	0	186	33,688
OCT	3,798	13,503		4,615	1,662	8,068	0	0	31,646
NOV	4,794	9,830		4,450	1,482	6,658	0	0	27,214
DEC	4,794	9,830		4,450	1,482	6,658	0	0	27,214
TOTAL	40,134	139,910		58,998		91,176	50	361	352,564
Market Share	11.38%	39.68%		16.73%		25.86%	0.01%	0.10%	93.78%

Load Factor



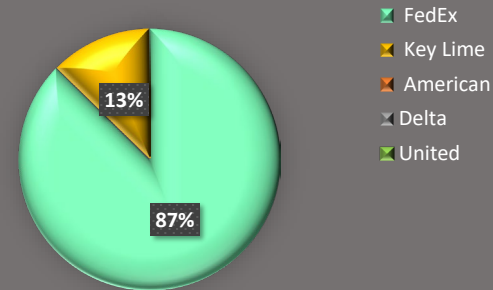
2022	Allegiant (SNA, AZA, LAS)	American (DFW, PHX, LAX)	Avelo (BUR)	Delta (SLC)	Frontier (DEN)	United (DEN)	Denver Air	Charters	Total
JAN	47%	79%	0%	75%	0%	91%	0%	0%	74%
FEB	68%	81%	0%	0%	0%	85%	0%	0%	81%
MAR	81%	88%	0%	0%	0%	84%	0%	0%	85%
APR	70%	89%	0%	0%	0%	92%	0%	0%	87%
MAY	80%	91%	0%	0%	0%	89%	0%	0%	85%
JUN									
JUL									
AUG									
SEP									
OCT									
NOV									
DEC									
TOTAL	65%	86%	#DIV/0!	75%	29%	88%	0%	51%	83%

2021	Allegiant (SNA, AZA, LAS)	American (DFW, PHX, LAX)	Avelo (BUR)	Delta (SLC)	Frontier (DEN)	United (DEN)	Denver Air	Charters	Total
JAN	32%	45%	0%	36%	0%	43%			41%
FEB	37%	50%	0%	43%	0%	56%		86%	49%
MAR	42%	74%	0%	55%	0%	74%		0%	65%
APR	47%	78%	0%	66%	0%	93%	0%	0%	75%
MAY	54%	90%	0%	90%	0%	91%	0%	0%	81%
JUN	58%	78%	0%	80%	0%	76%	0%	0%	71%
JUL	68%	78%	0%	80%	0%	88%	0%	0%	77%
AUG	55%	91%	0%	72%	0%	84%	0%	0%	80%
SEP	63%	81%	0%	82%	0%	89%	0%	0%	81%
OCT	68%	96%	0%	88%	0%	96%	0%	0%	90%
NOV	62%	91%	0%	86%	0%	94%	0%		84%
DEC	34%	86%	0%	77%	0%	95%	0%	0%	75%
TOTAL	51%	79%	0%	72%	0%	82%	100%	42%	74%

2022 Enplaned and Deplaned Airfreight - Lbs

2022 YTD		
Enplaned Freight	1,419,631	<div><div></div><div></div></div> 13.42%
Deplaned Freight	2,409,478	<div><div></div><div></div></div> -1.80%
2021 YTD		
Enplaned Freight	1,251,629	
Deplaned Freight	2,453,560	

2022 Market Share



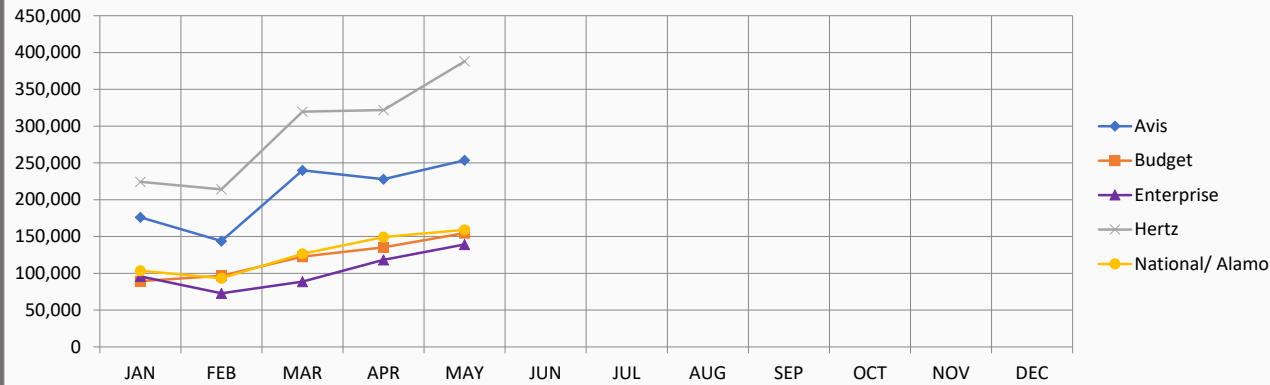
Enplaned	FedEx	Key Lime	American	Delta	United	Total	YTD Total	Annual Inc/Dec	
JAN	281,971	21,922	-	466	4	304,363	304,363		14.8%
FEB	263,502	20,495	33	-	74	284,104	588,467		39.4%
MAR	313,274	14,118	81	-	471	327,944	916,411		15.8%
APR	253,910	12,538	-	-	351	266,799	1,183,210		-1.1%
MAY	219,212	16,435	348	-	426	236,421	1,419,631		2.9%
JUN						-			
JUL						-			
AUG						-			
SEP						-			
OCT						-			
NOV						-			
DEC						-			
TOTAL	1,331,869	85,508	462	466	1,326	1,419,631	1,419,631		
Market Share	93.82%	6.02%	0.03%	0.03%	0.09%	100.00%			

Deplaned	FedEx	Key Lime	American	Delta	United	Total	YTD Total	Month over Month Inc/Dec	
JAN	281,971	69,941	219	47	306	352,484	352,484		-19.5%
FEB	399,926	62,834	724	-	323	463,807	816,291		10.4%
MAR	570,932	89,435	814	-	491	661,672	1,477,963		14.3%
APR	391,109	82,141	1,190	-	432	474,872	1,952,835		-8.1%
MAY	369,191	87,021	72	-	359	456,643	2,409,478		-8.7%
JUN						-			
JUL						-			
AUG						-			
SEP						-			
OCT						-			
NOV						-			
DEC						-			
TOTAL	2,013,129	391,372	3,019	47	1,911	2,409,478	2,409,478		
Market Share	83.55%	16.24%	0.13%	0.00%	0.08%	100.00%			

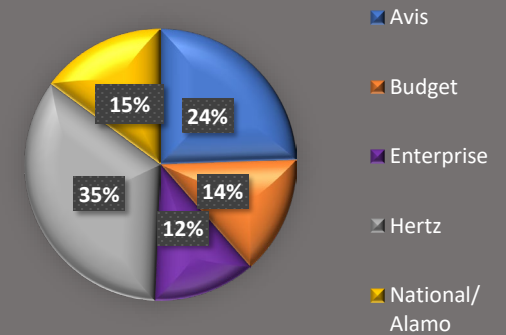
2022 Aircraft Operations

	Itinerant					LOCAL			
2022	Air Carrier	Air Taxi	General Aviation	Military	TOTAL ITINERANT	Local Civilian	Local Military	TOTAL LOCAL	TOTAL
JAN	395	615	1,855	138	3,003	1,388	86	1,474	4,477
FEB	431	615	1,747	115	2,908	1,654	110	1,764	4,672
MAR	508	566	1,860	142	3,076	1,496	64	1,560	4,636
APR	521	516	1,789	151	2,977	1,318	62	1,380	4,357
MAY	581	533	2,036	139	3,289	1,868	78	1,946	5,235
JUN					0			0	0
JUL					0			0	0
AUG					0			0	0
SEP					0			0	0
OCT					0			0	0
NOV					0			0	0
DEC					0			0	0
TOTAL	2,436	2,845	9,287	685	15,253	7,724	400	8,124	23,377
Historical Data	2017	2018	2019	2020	2021	2022	2021-2022 Inc/Dec		
JAN	3,325	3,320	3,425	3,713	4,904	4,477	🔴↓	-8.71%	
FEB	2,888	2,945	3,473	4,378	4,195	4,672	🟢↑	11.37%	
MAR	4,356	3,931	4,119	3,241	4,710	4,636	🔴↓	-1.57%	
APR	3,717	3,670	3,378	2,436	4,238	4,357	🟢↑	2.81%	
MAY	3,821	3,908	4,075	3,826	4,514	5,235	🟢↑	15.97%	
JUN	4,839	4,287	4,293	4,588	5,000	-			
JUL	3,997	5,195	4,348	4,784	5,014	-			
AUG	4,084	5,139	4,256	5,436	4,858	-			
SEP	3,496	4,161	3,941	4,777	5,355	-			
OCT	3,752	4,600	4,004	5,216	5,095	-			
NOV	3,074	4,092	3,811	4,612	4,841	-			
DEC	2,957	3,612	4,216	4,532	4,269	-			
TOTAL	44,306	48,860	47,339	51,539	56,993	23,377			

2022 Rental Car Revenues



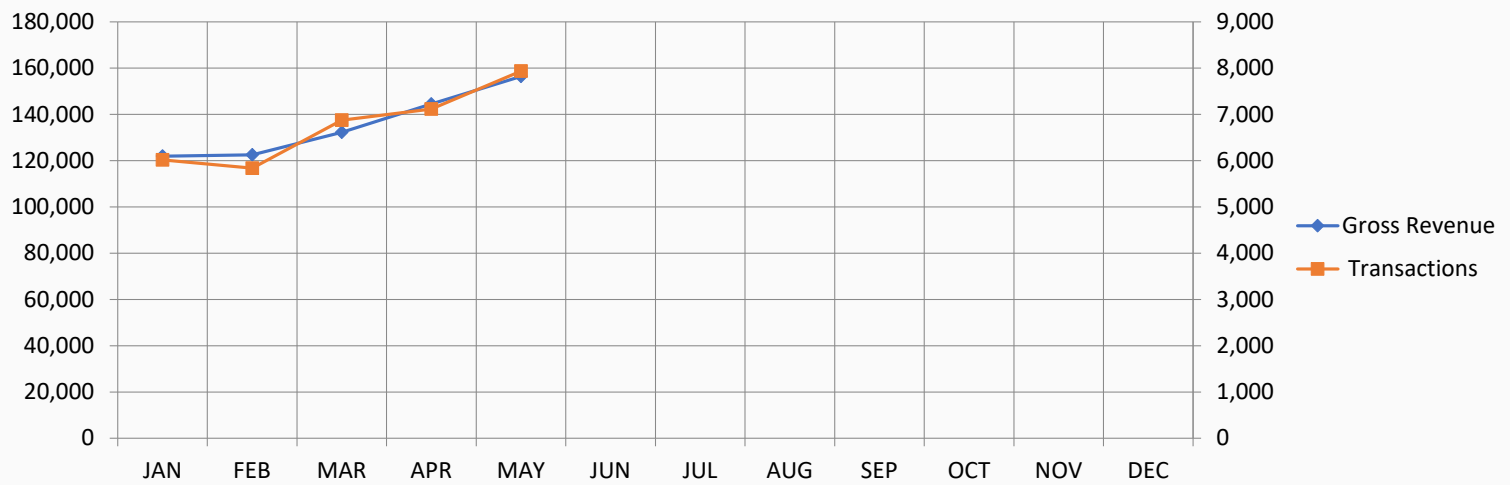
2022 Market Share



2022	Avis	Budget	Enterprise	Hertz	National/ Alamo	Total	YTD Total	Annual YTD Inc/Dec	
JAN	176,166	89,345	95,880	224,219	103,471	689,081	689,081	↑	83.6%
FEB	143,863	96,759	72,822	214,043	93,316	620,803	1,309,884	↑	57.3%
MAR	240,024	122,561	88,755	319,526	126,531	897,398	2,207,282	↑	43.4%
APR	227,825	135,356	118,265	321,883	149,140	952,468	3,159,751	↑	33.4%
MAY	253,564	154,634	139,193	388,020	159,108	1,094,518	4,254,269	↑	24.0%
JUN						0			
JUL						0			
AUG						0			
SEP						0			
OCT						0			
NOV						0			
DEC						0			
TOTAL	1,041,441	598,655	514,915	1,467,691	631,567	4,254,269	4,254,269		
Market Share	24.48%	14.07%	12.10%	34.50%	14.85%	100.00%			

2021	Avis	Budget	Enterprise	Hertz	National/ Alamo	Total	YTD Total
JAN	63,490	37,121	68,456	115,341	90,873	375,281	375,281
FEB	88,747	47,482	85,630	138,855	96,619	457,332	832,613
MAR	137,342	97,006	114,654	208,673	148,899	706,573	1,539,186
APR	171,522	88,618	143,501	235,388	189,830	828,859	2,368,045
MAY	242,237	140,693	182,533	295,030	203,100	1,063,592	3,431,637
JUN	307,265	192,646	257,472	409,070	224,989	1,391,441	4,823,079
JUL	227,496	158,122	261,933	518,255	246,824	1,412,630	6,235,709
AUG	256,062	172,401	277,202	486,233	211,488	1,403,386	7,639,095
SEP	296,712	196,735	246,145	413,975	211,120	1,364,687	9,003,782
OCT	345,523	201,302	222,811	369,014	233,440	1,372,091	10,375,873
NOV	163,909	111,083	133,277	263,968	132,329	804,566	11,180,439
DEC	150,935	78,621	103,418	234,091	121,686	688,750	11,869,189
TOTAL	2,451,240	1,521,829	2,097,032	3,687,891	2,111,197	11,869,189	
Market Share	20.65%	12.82%	17.67%	31.07%	17.79%	100.00%	

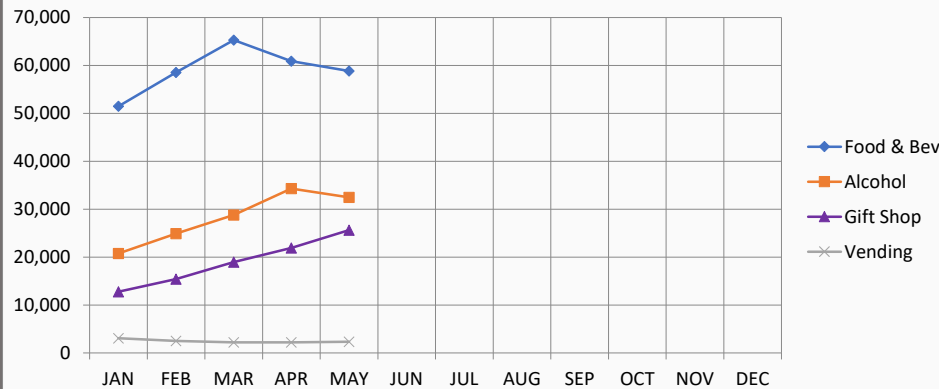
2022 Parking Revenues



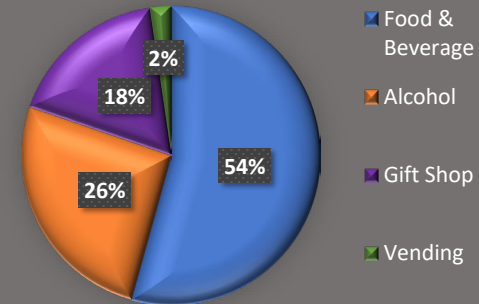
2022	Gross Revenue	Transactions	YTD Gross Revenue	YTD Transactions	Revenue per Transaction
JAN	121,929	6,017	121,929	6,017	\$ 20.26
FEB	122,490	5,838	244,419	11,855	\$ 20.98
MAR	132,255	6,876	376,674	18,731	\$ 19.23
APR	144,445	7,116	521,119	25,847	\$ 20.30
MAY	156,412	7,935	677,531	33,782	\$ 19.71
JUN					
JUL					
AUG					
SEP					
OCT					
NOV					
DEC					
TOTAL	677,531	33,782	677,531	33,782	\$ 20.06

2021	Gross Revenue	Transactions	YTD Gross Revenue	YTD Transactions	Revenue per Transaction
JAN	66,348	3,974	66,348	3,974	\$ 16.70
FEB	68,043	4,007	134,391	7,981	\$ 16.98
MAR	98,838	5,620	233,229	13,601	\$ 17.59
APR	125,854	6,731	359,083	20,332	\$ 18.70
MAY	142,565	8,135	501,648	28,467	\$ 17.52
JUN	146,746	9,501	648,394	37,968	\$ 15.45
JUL	162,832	10,415	811,226	48,383	\$ 15.63
AUG	181,250	10,348	992,476	58,731	\$ 17.52
SEP	168,273	9,383	1,160,749	68,114	\$ 17.93
OCT	195,724	9,990	1,356,473	78,104	\$ 19.59
NOV	185,972	8,777	1,542,445	86,881	\$ 21.19
DEC	158,749	8,846	1,701,194	95,727	\$ 17.95
TOTAL	1,701,194	95,727	1,701,194	95,727	\$ 17.77

2022 Terminal Concessions Revenues



2022 Market Share



2022	Food & Beverage	Alcohol	Gift Shop	Vending	Total	Annual Inc/Dec
JAN	51,472	20,758	12,776	3,070	\$ 88,076	↑ 58.0%
FEB	58,525	24,891	15,427	2,525	\$ 101,369	↑ 21.2%
MAR	65,297	28,772	18,980	2,206	\$ 115,255	↑ 18.0%
APR	60,875	34,303	21,927	2,208	\$ 119,314	↑ 0.8%
MAY	58,830	32,478	25,633	2,317	\$ 119,257	↓ -12.3%
JUN						
JUL						
AUG						
SEP						
OCT						
NOV						
DEC						
TOTAL	295,001	141,201	94,743	12,326	543,271	

2021	Food & Beverage	Alcohol	Gift Shop	Vending	Total
JAN	33,403	11,949	9,255	1,131	\$ 55,738
FEB	50,088	19,620	12,802	1,135	\$ 83,645
MAR	58,629	19,854	17,992	1,200	\$ 97,674
APR	69,494	25,759	21,809	1,268	\$ 118,330
MAY	77,826	30,877	26,036	1,313	\$ 136,052
JUN	94,602	35,625	30,789	1,871	\$ 162,887
JUL	105,793	37,529	35,716	1,973	\$ 181,010
AUG	102,135	42,046	35,720	2,136	\$ 182,036
SEP	91,416	37,247	35,920	2,474	\$ 167,057
OCT	95,224	41,686	32,860	2,580	\$ 172,350
NOV	71,570	32,007	29,316	2,692	\$ 135,585
DEC	74,633	32,530	24,264	2,929	\$ 134,356
TOTAL	924,812	366,728	312,477	22,700	1,626,717
Market Share	57%	23%	19%	1%	100%

Grand Junction Regional Airport Authority

Statements of Changes in Net Position

Unaudited - subject to change

As of Date:

05/31/2022

		Month			Budget Variance		Prior Year Variance	
		05/31/2022	05/31/2022	05/31/2021				
		Budget	Actual	PY Actual	Budget \$ Var	Budget % Var	PY \$ Var	PY % Var
Operating revenue								
Aeronautical revenue								
Passenger airline revenue								
1	Passenger airline landing fees	54,000	47,081	48,296	(6,919)	(12.81) %	(1,215)	(2.52) %
2	Terminal rent	101,250	99,330	97,367	(1,920)	(1.90) %	1,963	2.02 %
3	Other (boarding bridge)	2,288	2,500	1,857	212	9.27 %	643	34.63 %
	Total Passenger airline revenue	157,538	148,911	147,520	(8,627)	(5.48) %	1,391	0.94 %
Non-passenger airline revenue								
4	Non-passenger landing fees	8,800	8,758	11,015	(42)	(0.48) %	(2,257)	(20.49) %
5	Cargo and hangar rentals	4,654	4,904	4,616	250	5.37 %	288	6.24 %
6	Fuel tax	16,917	40,489	16,860	23,572	139.34 %	23,629	140.15 %
7	Fuel Flowage Fees and Sales	37,300	37,846	41,847	546	1.46 %	(4,001)	(9.56) %
8	Other (ramp parking, rapid refuel)	583	1,500	870	917	157.29 %	630	72.41 %
	Total Non-passenger airline revenue	68,254	93,497	75,208	25,243	36.98 %	18,289	24.32 %
	Total Aeronautical revenue	225,792	242,408	222,728	16,616	7.36 %	19,680	8.84 %
Non-aeronautical revenue								
9	Land and building leases	49,793	51,938	49,332	2,145	4.31 %	2,606	5.28 %
10	Terminal - restaurant & retail	14,000	12,343	13,474	(1,657)	(11.84) %	(1,131)	(8.39) %
11	Terminal - other	13,526	15,369	15,294	1,843	13.63 %	75	0.49 %
12	Rental cars	123,440	144,371	133,242	20,931	16.96 %	11,129	8.35 %
13	Parking	112,458	120,189	110,266	7,731	6.87 %	9,923	9.00 %
14	Ground Transportation	4,676	4,840	4,640	164	3.51 %	200	4.31 %
15	Other (advertising, security fee, vending, etc)	1,146	4,776	5,387	3,630	316.75 %	(611)	(11.34) %
	Total Non-aeronautical revenue	319,039	353,826	331,635	34,787	10.90 %	22,191	6.69 %
	Total Operating revenues	544,831	596,234	554,363	51,403	9.43 %	41,871	7.55 %

Grand Junction Regional Airport Authority

Statements of Changes in Net Position

Unaudited - subject to change

As of Date:

05/31/2022

		05/31/2022	5/31/2019	Variance to 2019	
		Actual	Actual	\$ Var	% Var
Operating revenue					
Aeronautical revenue					
Passenger airline revenue					
1	Passenger airline landing fees	47,081	56,153	(9,072)	(16.16) %
2	Terminal rent	99,330	98,487	843	0.86 %
3	Other (boarding bridge)	2,500	11,078	(8,578)	(77.43) %
	Total Passenger airline revenue	148,911	165,718	(16,807)	(10.14) %
Non-passenger airline revenue					
4	Non-passenger landing fees	8,758	8,079	679	8.40 %
5	Cargo and hangar rentals	4,904	4,483	421	9.39 %
6	Fuel tax	40,489	29,742	10,747	36.13 %
7	Fuel Flowage Fees and Sales	37,846	42,199	(4,353)	(10.32) %
8	Other (ramp parking, rapid refuel)	1,500	660	840	127.27 %
	Total Non-passenger airline revenue	93,497	85,163	8,334	9.79 %
	Total Aeronautical revenue	242,408	250,881	(8,473)	(3.38) %
Non-aeronautical revenue					
9	Land and building leases	51,938	48,859	3,079	6.30 %
10	Terminal - restaurant & retail	12,343	14,203	(1,860)	(13.10) %
11	Terminal - other	15,369	15,041	328	2.18 %
12	Rental cars	144,371	89,030	55,341	62.16 %
13	Parking	120,189	128,929	(8,740)	(6.78) %
14	Ground Transportation	4,840	5,558	(718)	(12.92) %
15	Other (advertising, security fee, vending, etc)	4,776	15,157	(10,381)	(68.49) %
	Total Non-aeronautical revenue	353,826	316,777	37,049	11.70 %
	Total Operating revenues	596,234	567,658	28,576	5.03 %

Variance Explanations - May 2022 Revenue Compared to Budget - Preliminary Financial Statements

	May-22	May-22	May-21	Budget Variance	PY Variance
	Budget	Actual	Actual		
Capacity	32,289	23,699	26,269	(8,590) -27%	(2,570) -10%
Commercial Landed Weight	29,153,910	24,501,704	27,835,241	(4,652,206) -16%	(3,333,537) -12%
Enplanements	22,269	20,317	21,320	(1,952) -10%	(1,003) -5%
Load Factor	69%	86%	81%	17%	5%

Note that expenses have not been presented and compared on a monthly basis, because the timing of incurring expenses are more difficult to estimate and the YTD variances are more meaningful. Variance explanations and account explanations have been provided below for revenue accounts that have a budget to actual variance of more than 5% and where the revenue account makes up at least 5% of the monthly budgeted operating revenue for May (\$27,000).

Operating Revenues:

- 1 **Passenger airline landing fees** - May landing fee revenue was below budget by about 13%. This is due to the fact that landed weight for passenger airlines was down about 16%.
- 6 **Fuel tax revenue** - Fuel tax revenues tend to correlate most closely to commercial activity. Payments and revenue recognized in May should be related to February commercial airline activity. While activity is lower than budget, due to higher fuel prices, the fuel tax revenue is consistently exceeding budgeted expectations.
- 12 **Rental Cars** - Rental car revenue exceeded budget by almost 17%. This positive variance was driven by over 1,500 more rental days in May 2022 than May 2021 as well as a 5% increase in fuel gallons sold.
- 13 **Parking** - Parking revenue exceeded budget by 6.9% for May 2022 due to per passenger spending of \$5.92, which is higher than budgeted per passenger spending of \$5.21.

Grand Junction Regional Airport Authority

Statements of Changes in Net Position

Unaudited - subject to change

			Year to Date			Budget Variance		Prior Year Variance	
			05/31/2022	05/31/2022	05/31/2021				
			Budget	Actual	PY Actual	Budget \$ Remaining	Budget % Remaining	PY \$ Var	PY % Var
Operating revenue									
Aeronautical revenue									
Passenger airline revenue									
1	Passenger airline landing fees		\$ 223,000	\$ 206,387	\$ 248,461	\$ (16,613)	(7.45) %	\$ (42,074)	(16.93) %
2	Terminal rent		506,250	484,773	503,479	(21,477)	(4.24) %	(18,706)	(3.72) %
3	Other (boarding bridge)		10,147	12,360	10,806	2,213	21.81 %	1,554	14.38 %
	<i>Total Passenger airline revenue</i>		<i>739,397</i>	<i>703,520</i>	<i>762,746</i>	<i>(35,877)</i>	<i>(4.85) %</i>	<i>(59,226)</i>	<i>(7.76) %</i>
Non-passenger airline revenue									
4	Non-passenger landing fees		40,600	45,931	47,181	5,331	13.13 %	(1,250)	(2.65) %
5	Cargo and hangar rentals		23,132	23,655	22,917	523	2.26 %	738	3.22 %
6	Fuel tax		84,585	163,722	61,933	79,137	93.56 %	101,789	164.35 %
7	Fuel Flowage Fees and Sales		180,500	192,681	169,831	12,181	6.75 %	22,850	13.45 %
8	Other (ramp parking, rapid refuel)		2,915	5,460	3,540	2,545	87.31 %	1,920	54.24 %
	<i>Total Non-passenger airline revenue</i>		<i>331,732</i>	<i>431,449</i>	<i>305,402</i>	<i>99,717</i>	<i>30.06 %</i>	<i>126,047</i>	<i>41.27 %</i>
	<i>Total Aeronautical revenue</i>		<i>1,071,129</i>	<i>1,134,969</i>	<i>1,068,148</i>	<i>63,840</i>	<i>5.96 %</i>	<i>66,821</i>	<i>6.26 %</i>
Non-aeronautical revenue									
9	Land and building leases		247,486	266,536	260,059	19,050	7.70 %	6,477	2.49 %
10	Terminal - restaurant & retail		59,000	67,794	48,540	8,794	14.91 %	19,254	39.67 %
11	Terminal - other		67,630	76,845	76,471	9,215	13.63 %	374	0.49 %
12	Rental cars		513,065	577,389	470,299	64,324	12.54 %	107,090	22.77 %
13	Parking		459,065	560,377	410,978	101,312	22.07 %	149,399	36.35 %
14	Ground Transportation		19,090	20,762	16,246	1,672	8.76 %	4,516	27.80 %
15	Other (advertising, security fee, etc.)		9,609	15,211	24,629	5,602	58.30 %	(9,418)	(38.24) %
	<i>Total Non-aeronautical revenue</i>		<i>1,374,945</i>	<i>1,584,914</i>	<i>1,307,222</i>	<i>209,969</i>	<i>15.27 %</i>	<i>277,692</i>	<i>21.24 %</i>
	Total Operating Revenues		\$ 2,446,074	\$ 2,719,883	\$ 2,375,370	\$ 273,809	11.19 %	\$ 344,513	14.50 %

Grand Junction Regional Airport Authority

Statements of Changes in Net Position

Unaudited - subject to change

		05/31/2022	5/31/2019	Variance to 2019	
		Actual	Actual	\$ Var	% Var
Operating revenue					
Aeronautical revenue					
Passenger airline revenue					
1	Passenger airline landing fees	\$ 206,387	\$ 248,212	\$ (41,825)	(16.85) %
2	Terminal rent	484,773	492,435	(7,662)	(1.56) %
3	Other (boarding bridge)	12,360	54,935	(42,575)	(77.50) %
	<i>Total Passenger airline revenue</i>	<i>703,520</i>	<i>795,582</i>	<i>(92,062)</i>	<i>(11.57) %</i>
Non-passenger airline revenue					
4	Non-passenger landing fees	45,931	37,362	8,569	22.94 %
5	Cargo and hangar rentals	23,655	22,084	1,571	7.11 %
6	Fuel tax	163,722	84,681	79,041	93.34 %
7	Fuel Flowage Fees and Sales	192,681	203,414	(10,733)	(5.28) %
8	Other (ramp parking, rapid refuel)	5,460	2,520	2,940	116.67 %
	<i>Total Non-passenger airline revenue</i>	<i>431,449</i>	<i>350,061</i>	<i>81,388</i>	<i>23.25 %</i>
	<i>Total Aeronautical revenue</i>	<i>1,134,969</i>	<i>1,145,643</i>	<i>(10,674)</i>	<i>(0.93) %</i>
Non-aeronautical revenue					
9	Land and building leases	266,536	246,821	19,715	7.99 %
10	Terminal - restaurant & retail	67,794	71,281	(3,487)	(4.89) %
11	Terminal - other	76,845	75,398	1,447	1.92 %
12	Rental cars	577,389	488,948	88,441	18.09 %
13	Parking	560,377	627,998	(67,621)	(10.77) %
14	Ground Transportation	20,762	33,060	(12,298)	(37.20) %
15	Other (advertising, security fee, etc.)	15,211	43,074	(27,863)	(64.69) %
	<i>Total Non-aeronautical revenue</i>	<i>1,584,914</i>	<i>1,586,580</i>	<i>(1,666)</i>	<i>(0.11) %</i>
	<i>Total Operating Revenues</i>	<i>\$ 2,719,883</i>	<i>\$ 2,732,223</i>	<i>\$ (12,340)</i>	<i>(0.45) %</i>

Grand Junction Regional Airport Authority

Statements of Changes in Net Position

Unaudited - subject to change

		Year to Date			Budget Variance		Prior Year Variance	
		05/31/2022	05/31/2022	05/31/2021				
		Budget	Actual	PY Actual	Budget \$ Variance	Budget % Variance	PY \$ Var	PY % Var
Operating expenses								
16	Personnel compensation and benefits	\$ 1,123,454	\$ 1,075,291	\$ 963,496	(48,163)	(4.29) %	111,795	11.60 %
17	Communications and utilities	143,065	147,366	127,603	4,301	3.01 %	19,763	15.49 %
18	Supplies and materials	213,602	214,783	189,666	1,181	0.55 %	25,117	13.24 %
19	Contract services	266,225	261,608	296,625	(4,617)	(1.73) %	(35,017)	(11.81) %
20	Repairs & maintenance	167,545	131,512	126,617	(36,033)	(21.51) %	4,895	3.87 %
21	Insurance	56,670	52,771	53,616	(3,899)	(6.88) %	(845)	(1.58) %
22	Training, Travel, & Air Service Development	101,965	68,861	31,310	(33,104)	(32.47) %	37,551	119.93 %
23	Other Expense (marketing, professional dues, etc)	48,420	24,120	55,380	(24,300)	(50.19) %	(31,260)	(56.45) %
24	Contingency Expense	-	-	-	-	0.00 %	-	0.00 %
	<i>Total Operating expenses</i>	<i>2,120,946</i>	<i>1,976,312</i>	<i>1,844,313</i>	<i>(144,634)</i>	<i>(6.82) %</i>	<i>131,999</i>	<i>7.16 %</i>
Non-operating revenue (expenses)								
25	Passenger facility charges	369,200	382,057	398,275	12,857	3.48 %	(16,218)	(4.07) %
26	Interest income	15,835	14,019	16,320	(1,816)	(11.47) %	(2,301)	(14.10) %
27	Interest expense	(308,330)	(307,687)	(319,938)	643	0.21 %	12,251	3.83 %
28	Customer facility charges	245,752	253,180	226,652	7,428	3.02 %	26,528	11.70 %
29	Capital contributions	27,157,000	739,910	5,664,504	(26,417,090)	(97.28) %	(4,924,594)	(86.94) %
29	Capital expenditures	(30,286,000)	(1,217,225)	(6,416,255)	29,068,775	95.98 %	5,199,030	81.03 %
30	Debt principal payments	-	-	-	-	0.00 %	-	0.00 %
31	Other	-	-	-	-	0.00 %	-	0.00 %
	<i>Total Non-operating revenue (expenses)</i>	<i>(2,806,543)</i>	<i>(135,746)</i>	<i>(430,442)</i>	<i>2,670,797</i>	<i>95.16 %</i>	<i>294,696</i>	<i>68.46 %</i>
	Excess of revenue over (under) expense	\$ (2,481,415)	\$ 607,825	\$ 100,615	3,089,240	124.50 %	507,210	(504.11) %

Grand Junction Regional Airport Authority

Statements of Changes in Net Position

Unaudited - subject to change

		05/31/2022	5/31/2019	Variance to 2019	
		Actual	Actual	\$ Var	% Var
Operating expenses					
16	Personnel compensation and benefits	\$ 1,075,291	\$ 979,386	95,905	9.79 %
17	Communications and utilities	147,366	128,190	19,176	14.96 %
18	Supplies and materials	214,783	215,335	(552)	(0.26) %
19	Contract services	261,608	286,309	(24,701)	(8.63) %
20	Repairs & maintenance	131,512	124,029	7,483	6.03 %
21	Insurance	52,771	38,019	14,752	38.80 %
22	Training, Travel, & Air Service Development	68,861	85,240	(16,379)	(19.22) %
23	Other Expense (marketing, professional dues, etc.)	24,120	14,999	9,121	60.81 %
24	Contingency Expense	-	3,597	(3,597)	0.00 %
<i>Total Operating expenses</i>		1,976,312	1,875,104	101,208	5.40 %
Non-operating revenue (expenses)					
25	Passenger facility charges	382,057	444,953	(62,896)	(14.14) %
26	Interest income	14,019	108,350	(94,331)	(87.06) %
27	Interest expense	(307,687)	(339,581)	31,894	9.39 %
28	Customer facility charges	253,180	270,248	(17,068)	(6.32) %
29	Capital contributions	739,910	1,238,966	(499,056)	(40.28) %
29	Capital expenditures	(1,217,225)	(4,760,400)	3,543,175	74.43 %
30	Debt principal payments	-	-	-	0.00 %
31	Other	-	-	-	0.00 %
<i>Total Non-operating revenue (expenses)</i>		(135,746)	(3,037,464)	2,901,718	95.53 %
Excess of revenue over (under) expense		\$ 607,825	\$ 2,375,370	3,145,023	(132.40) %

GJRAA - Breakdown of Capital Expenditure Costs Year-to-Date through May 31, 2022

2022 GRANT FUNDED CAPITAL EXPENDITURES INCURRED AND GRANT REVENUE RECOGNIZED

Grant Number	Project/Grant Description	2022 Project Costs Incurred	Grant Revenue	
			Recognized in 2022	2022 GJRAA Local Share
AIP 66	Construct Run-up Pad & Rehab Apron	15,245	15,245	-
AIP 67	Taxiway A and RWY 11-29 Construction	69,100	69,100	-
AIP 68	Runway Design - Earthwork, Prism, and Drainage	37,843	37,843	-
AIP 69	Airport Development Plan	362,813	362,813	-
AIP 72	Taxiway A and RWY 11-29 Construction	109,597	109,597	-
AIP 75	Runway Design -Schedule 4-7 Utility Infrastructure	401,372	-	401,372
AIP TBD	Runway Design - Grading & Drainage	4,300	-	4,300 *
CDOT	RWY 4-22 Rehab Design	130,961	117,865	13,096
Total AIP Projects		\$ 1,131,229	\$ 712,461	\$ 418,768

* While we do anticipate an AIP grant to be issued and 90% of the project costs to be funded, because the grant has not yet been awarded, no grant revenue has been recognized yet.

2022 NON-AIP CAPITAL EXPENDITURES INCURRED

Project Description	2022 Costs Incurred
Employee Parking Lot Relocation	76,885
Terminal Signage Project	3,503
Terminal Improvements - Non-Rental Car	5,610
Total Non-AIP Projects	\$ 85,998
Total Capital Expenditures YTD \$ 1,217,227	

Variance Explanations - May 31, 2022 Preliminary Financial Statements

Variance explanations have been provided below for revenue and expense accounts that have a budget variance of more than 5% and where the revenue or expense category makes up at least 5% of the YTD operating budget of \$122,000 for revenue and \$137,000 for all non-capital expenses and non-operating revenues.

	YTD May-22 Budget	YTD May-22 Actual	YTD May-21 Actual	Budget Variance	PY Variance
Seat Capacity	127,157	105,406	124,434	(21,751) -17%	(19,028) -15%
Commercial Landed Weight	120,419,756	103,403,346	122,789,782	(17,016,410) -14%	(19,386,436) -16%
Enplanements	90,904	87,445	79,244	(3,459) -4%	8,201 10%
Load Factor	71%	83%	64%	11%	19%

Operating Revenues: Operating revenues were \$274K (11.2%) ahead of budget through May 2022. This positive variance is in spite of lower than expected passenger traffic and was due to increased fuel tax disbursements and the higher than expected per passenger spending, primarily in parking, which caused non-aeronautical revenues to exceed budget by 15.3%.

- 1 **Passenger airline landing fees** - YTD through May landing fee revenue was down from prior year by about 17% before taking incentives into consideration. This is due to the 5% decrease in rates and total passenger landed weight was down about 16%. The variance to budget is also due to lower than expected activity.
- 6 **Fuel Tax** - Fuel tax revenues were budgeted at 96.5% of 2019 revenues. While commercial landed weight is 14% below budget, total operations YTD May are 26.5% higher than 2019, this increase in operations combined with higher fuel prices is driving the higher-than-expected fuel tax revenue.
- 7 **Fuel flowage fees and fuel sales** - Fuel flowage fees are collected from non-commercial fueling at the airport and therefore are influenced by GA operations. Flowage fees were budgeted at 88% of 2019 levels, the 26.5% increase in total operations (commercial included) above 2019 levels is driving the positive budget variance.
- 9 **Land and Building Leases** - The difference between budget and actual revenue is due in part to the timing of billings. We have some tenants that request an annual billing, rather than monthly. We have one tenant in particular with an \$11k annual rent that was billed in April and accounts for the majority of the variance YTD through May. In addition, the majority of leases were adjusted by a CPI index of 7.48% in April where we only budgeted for an increase of 1%. Due to higher than expected CPI increase, revenue from leases will exceed budget for the year.
- 12 **Rental Cars** - Rental car revenue exceeded budget by more than 12.5% because average daily rental rates YTD through May are 9% higher than 2021 and 31% higher than 2019. This line item does include fuel sales and thus is expected to continue to trend above budgeted revenue.
- 13 **Parking** - Parking revenue exceeded budget by 22%, YTD May 2022 due to per passenger spending of \$6.41, which is slightly below 2019 revenue per passenger but exceeds the budgeted per passenger spending by 23%.

Operating Expenses: Total Operating Expenses through May 2022 were \$145K below budget primarily due to variances in Personnel Compensation, Repairs & Maintenance, Education & Training, and Marketing. At this time, we believe the majority of these variances are due to the timing of incurring expenses compared to budget.

- 20 **Repairs & Maintenance** - Repairs and Maintenance activities were \$36,000 below budget through May. The timing of incurring these costs is somewhat unpredictable, therefore we estimated even spending for budget purposes.

Non-Operating Revenues and Expenses:

- 29 **Capital Contributions & Expenditures** - The timing of capital contributions (grant revenue) and capital expenditures is somewhat unpredictable therefore the budget represents the full annual budget and the variance represents the estimated amount remaining to be spent. See the attached detail of costs incurred by project.

Grand Junction Regional Airport Authority
Statement of Financial Position - Unaudited, subject to change

		Month Ending 05/31/2022	Month Ending 04/30/2022	Variance
Assets				
Current Assets				
	Cash and Cash Equivalents - Unrestricted	\$ 16,637,135	\$ 15,895,191	\$ 741,944
	Cash and Cash Equivalents - Restricted	2,210,506	2,093,871	116,635
1	<i>Total Cash and Cash Equivalents</i>	<u>18,847,642</u>	<u>17,989,062</u>	<u>858,580</u>
Accounts Receivable				
	Accounts Receivable - Ops, net of allowance of \$24,000	1,412,988	1,242,698	170,290
	Accounts Receivable - Capital	3,634,727	5,600,771	(1,966,044)
2	<i>Total Accounts Receivable, Net</i>	<u>5,047,715</u>	<u>6,843,469</u>	<u>(1,795,753)</u>
3	Prepaid Expenses	38,283	57,891	(19,609)
	<i>Total Current Assets</i>	<u>23,933,639</u>	<u>24,890,422</u>	<u>(956,783)</u>
Non-Current Assets				
Capital Assets				
	Capital Assets not subject to depreciation	31,780,573	31,780,573	-
	Capital Assets subject to depreciation, net	55,621,316	56,051,326	(430,010)
4	<i>Total Capital Assets, Net</i>	<u>87,401,889</u>	<u>87,831,899</u>	<u>(430,010)</u>
5	Bond Project Fund	415,794	415,696	98
	<i>Total Non-Current Assets</i>	<u>87,817,682</u>	<u>88,247,594</u>	<u>(429,912)</u>
	Total Assets	<u>111,751,322</u>	<u>113,138,017</u>	<u>(1,386,695)</u>
6	Deferred Outflows of Resources - Pension Plan	<u>625,066</u>	<u>625,066</u>	<u>-</u>
Liabilities				
Current Liabilities				
7	Accounts Payable - Ops	197,127	337,375	(140,247)
7	Accounts Payable - Capital	451,424	1,210,502	(759,077)
8	Accrued Expenses	285,822	265,629	20,193
9	Lease Deposits	154,140	154,140	-
10	Deferred Revenue	25,067	25,067	-
11	Current portion of capital lease and bonds payable	949,766	1,257,451	(307,686)
	<i>Total Current Liabilities</i>	<u>2,063,347</u>	<u>3,250,164</u>	<u>(1,186,817)</u>
Long Term Liabilities				
	Bond and capital lease payable	16,302,711	16,302,711	-
	Deferred Revenue	359,289	361,378	(2,089)
	Net Pension and OPEB Liability	1,395,594	1,395,594	-
12	<i>Total Long Term Liabilities</i>	<u>18,057,594</u>	<u>18,059,683</u>	<u>(2,089)</u>
	<i>Total Liabilities</i>	<u>20,120,941</u>	<u>21,309,847</u>	<u>(1,188,906)</u>
13	Deferred Inflows of Resources - Pension Plan	<u>1,425,215</u>	<u>1,425,215</u>	<u>-</u>
	Total Net Position	<u>\$ 90,830,232</u>	<u>\$ 91,028,021</u>	<u>\$ (197,788)</u>

Variance Explanations - May 2022 Statement of Financial Position

Assets: Total Assets decreased by \$1.39M from April 2022 to May 2022 which was primarily due to the receipt of grant reimbursements reducing capital accounts receivable and the payment of construction invoices.

- 1 **Cash** – Cash increased by \$858K from April 2022 to May 2022. The increase was due to the receipt of grants receivables, offset by construction payments.
- 2 **Accounts Receivable** – Accounts receivable includes both operating receivables and capital receivables from grants. Operating receivables increased \$170K due to timing of payments received from tenants and airlines.
- 3 **Prepaid Expenses** – Prepaid expenses are primarily related to insurance contracts and software subscriptions that we pay annually, or in advance, that we will receive benefit for over a period of time. As we use these services over the policy or contract period, the amount is recognized as an expense, rather than expensing the entire annual cost in the month that it is paid. The decrease in this account is the recognition of the portion of prepaid expense used in that month.
- 4 **Capital Assets, Net** – Historically, the airport has not capitalized equipment throughout the year as it is purchased, but instead, expenses all purchases as part of capital expenditures and then capitalizes assets at year end. This allows us to track spending for budget purposes. Therefore, the only change in the fixed assets accounts that will be seen on a monthly basis is the regular monthly depreciation based on assets placed in service as of December 31, 2021.
- 5 **Bond Project Fund** – The remaining bond project fund balance represents interest earnings that were accumulated on the project funds. The accumulated interest is still restricted in purpose, but is available to cover debt service.

Deferred Outflows of Resources:

- 6 **Deferred Outflows of Resources - Pension Plan** – The deferred outflows of resources represent a timing difference for recognizing changes in the estimated pension liability for our PERA pension and health plans offered to employees. The pension liability is only re-valued annually so there is no change from month to month. The change in these accounts all represent accounting estimates and non-cash transactions. These amounts will only change once per year when the calculation is updated.

Liabilities: Total Liabilities decreased \$1.2K from April 2022 to May 2022 due to a decrease in capital accounts payable associated with the airfield projects.

- 7 **Accounts Payable** – Similar to accounts receivable, the majority of the balance and the variance from month to month is caused by the capital expenses payable to contractors and engineers associated with our capital projects. The capital accounts payable decrease was due to payments for the Airport Development Plan, Schedule 4-7 Infrastructure Design, and the release of retainage on the Taxiway Alpha, Runway 11-29, and GA Rehab project.
- 8 **Accrued Expenses** – This category is primarily made up of liabilities for un-used PTO (approximately \$180,000) and payroll accruals to properly recognize payroll expenses in the periods that the employees have worked. Changes in this account month to month are almost entirely related to changes in the payroll accruals.
- 9 **Lease Deposits** – Lease deposits are primarily made up of General Aviation Lease deposits that were required in the standard ground lease based on a number of month's rent. We also hold deposits for parking passes held by airport tenant employees. These amounts are payable back to tenants at the end of the lease, or as parking passes are returned. The balance of deposits typically does not change materially from period to period as activity is limited.
- 10 **Deferred Revenue** – This liability represents rent received in advance and is primarily made up of a pre-payment received by the BLM in 2017. Prepaid rent is a liability because we have not provided our tenant with the space for the period of time that they paid us for.
- 11 **Current Portion of capital lease and bonds payable** – This balance represents principal and interest due on the outstanding revenue bond and Yukon capital lease in the current calendar year. We have semi-annual payments due June 1 and December 1 for the bond and one annual payment on the vehicle lease in June. The change from the prior month is the monthly bond interest.
- 12 **Long-Term Liabilities** – The long-term bond payable and capital payable balance is updated annually in December to reflect the remaining portion due beyond one year, therefore there is no change from the prior month. The net Pension liability is also only calculated annually, so there will be no change in this amount. This is the actuarial estimate of the airports portion of the unfunded Pension liability for PERA. Long-term deferred revenue represents pre-paid revenues for periods farther out than 12 months.

Deferred Inflows of Resources:

- 13 **Deferred Inflows of Resources - Pension Plan** – Similar to deferred outflows described above, the deferred inflows of resources represent a timing difference for recognizing changes in the estimated pension liability for our PERA pension and health plans offered to employees. Deferred Inflows of resources actually represent increases to the pension liability that will be recognized in future years, primarily related to changes in actuarial assumptions. These will only be calculated annually, and therefore no changes will be seen month to month.